


Foreign Military Sales



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Customer Supply System Guide

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FOREIGN MILITARY SALES
CUSTOMER SUPPLY SYSTEM GUIDE
(FMS CUSTOMER GUIDE)

Revised 1 October 1979

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DEPARTMENT OF THE NAVY
NAVAL SUPPLY SYSTEMS COMMAND
WASHINGTON, D.C. 20376

F O R E W O R D

Since initial publication of the Naval Supply Systems Command Foreign Military Sales Customer Supply System Guide in January 1977, significant changes have occurred throughout the Department of Defense in FMS policies and procedures. Many of these changes are of special interest and importance to our foreign customers supported under FMS.

This revised edition of the FMS Customer Guide is prepared for use by all foreign customers of the U.S. Navy Supply System. It provides updated and expanded coverage in selected areas of FMS support operations of general interest to the foreign customer.

Two new Chapters 8 and 9 have been added to provide the reader with current information of FMS Financial Operations and FMS Reports. In addition to these new chapters, the Guide also includes expanded coverage in other areas important to the FMS customer:

- . Direct Requisitioning Procedures, Chapter 3
- . Cooperative Logistics Supply Support Arrangements, Chapter 4
- . Reporting of Item Discrepancies, Chapter 7
- . Freight Forwarder Guidance, Chapter 10.

Each of these chapters has undergone extensive revision and updating.

As a single source supply management document, available for ready reference use by the FMS customer, the Guide will serve as an important tool for the foreign supply officer or his representative engaged in FMS Supply operations. Focusing on special needs of the unit supply officer and his key personnel, the Guide is designed primarily for their use at the operating level.

It is our intent that the FMS Customer Guide provide all the basic information needed by the FMS customer to obtain timely and effective support from the U.S. Navy Supply System. Source document references are conveniently cited at the end of each chapter for additional reading when desired.

Suggestions from readers for improvement in format or content of the Guide are invited. A response form for use in submitting comments and recommendations concerning proposed changes to the Guide is provided in Appendix D.

E.A. Grinstead
Rear Admiral, Supply Corps
United States Navy
Commander, Naval Supply Systems Command
and
Chief of Supply Corps

RECORD OF CHANGE TRANSMITTALS

CHANGE NO.	DATE OF CHANGE	DATE ENTERED	SIGNATURE OF PERSON MAKING CHANGE
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

DISTRIBUTION LIST

NAVSUP Publication 526 has been prepared by the Commander Naval Supply Systems Command for general distribution and use by all FMS Customer representatives obtaining support from the U.S. Navy Supply System.

The Guide also is distributed to a selected list of U.S. Navy and Department of Defense offices and activities, and other U.S. agencies involved with Foreign Military Sales Program Support.

General distribution to all holders of the FMS Customer Guide by NAVSUP is limited to two (2) copies to each addressee. Additional copies of NAVSUP Publication 526 are available at a unit price of \$7.00 per copy. These may be ordered direct from the Naval Publications and Forms Center (NPFC), Philadelphia, PA 19120, in accordance with the special procedures for requisitioning publications described in Chapters 2 and 3.

TABLE OF CONTENTS

Page Number

FOREWORD

RECORD OF CHANGE TRANSMITTALS

DISTRIBUTION LIST

CHAPTER 1 INTRODUCTION AND OVERVIEW

Section A	Introduction	1-1
Section B	Overview of the U.S. Navy Supply System	1-3
Section C	The FMS Process	1-19
REFERENCES FOR	CHAPTER 1	1-28

CHAPTER 2 REQUISITIONING SYSTEM

Section A	The Requisitioning Process	2-1
Section B	Requisitioning Under FMS: Detailed Procedures	2-21
Section C	Areas of Special Interest	2-95
REFERENCES FOR	CHAPTER 2	2-112

CHAPTER 3 DIRECT REQUISITIONING PROCEDURES (DRP)

Section A	Description	3-1
Section B	Procedures for Direct Requisitioning	3-17
Section C	Areas of Special Interest	3-23
REFERENCES FOR	CHAPTER 3	3-26

CHAPTER 4 COOPERATIVE LOGISTICS

Section A	Description	4-1
Section B	Procedures	4-5
REFERENCES FOR	CHAPTER 4	4-9

<u>CHAPTER 5</u>	<u>PROCESSING REPAIRABLES</u>	
Section A	General	5-1
Section B	Procedures	5-9
Section C	Areas of Special Interest	5-31
REFERENCES FOR CHAPTER 5		5-33
<u>CHAPTER 6</u>	<u>CLASSIFIED MATERIAL REQUESTS</u>	
Section A	General Information	6-1
Section B	Classified Material	
	Requisitioning Procedures	6-11
Section C	Areas of Special Interest	6-15
REFERENCES FOR CHAPTER 6		6-18
<u>CHAPTER 7</u>	<u>DISCREPANCY REPORTING SYSTEM</u>	
Section A	Description	7-1
Section B	Procedures	7-7
Section C	Areas of Special Interest	7-31
REFERENCES FOR CHAPTER 7		7-35
<u>CHAPTER 8</u>	<u>FINANCIAL OPERATIONS</u>	
Section A	Introduction	8-1
Section B	Terms of Sale and Billing	
	and Collection Procedures	8-7
Section C	Areas of Special Interest	8-37
<u>CHAPTER 9</u>	<u>REPORTS</u>	
Section A	Overview	9-1
Section B	Detailed Description	9-7
Section C	Areas of Special Interest	9-19
REFERENCES FOR CHAPTER 9		9-24
<u>CHAPTER 10</u>	<u>FREIGHT FORWARDER GUIDANCE</u>	
Section A	Description	10-1
Section B	Procedures	10-9
Section C	Areas of Special Interest	10-27
REFERENCES FOR CHAPTER 10		10-49

Page
Number

<u>CHAPTER 11</u>	<u>SUPPLY ASSISTANCE TEAM AVAILABILITY AND SCOPE</u>	
Section A	Description	11-1
Section B	Procedures	11-5
Section C	Areas of Special Interest	11-7

<u>CHAPTER 12</u>	<u>OTHER AREAS FOR SPECIAL ATTENTION</u>	
FMS Implementation Reviews		12-1
NAVILCO Field Assistance Office		12-7
Training Conducted in the United States for Foreign Supply Personnel		12-9

APPENDIX A - Bibliography

APPENDIX B - Glossary of Terms and Abbreviations

APPENDIX C - Key USN Points of Contact for FMS
Customers

APPENDIX D - Procedure for Recommending Changes to
FMS Customer Guide

CHAPTER 1. INTRODUCTION AND OVERVIEW

CHAPTER 1. INTRODUCTION AND OVERVIEW

T A B L E O F C O N T E N T S

	<u>Page Number</u>
1000 SECTION A--INTRODUCTION	1-1
1010 Purpose of the FMS Customer Guide	1-1
1020 How to Use the Guide: Its Structure and Organization	1-1
1030 Scope of Coverage	1-1
1031 Section A	1-2
1032 Section B	1-2
1033 Section C	1-2
1040 Tables of Contents	1-2
1100 SECTION B--OVERVIEW OF THE U.S. NAVY SUPPLY SYSTEM	1-3
1110 General	1-3
1120 Overview: Functions of the U.S. Navy Supply System and Its Customers	1-3
1121 Structure of the U.S. Navy Supply System	1-4
1122 Secretary of the Navy (SECNAV)	1-4
1123 Chief of Naval Operations (CNO)	1-4
1124 Chief of Naval Material/Naval Material Command (CNM/NMC)	1-4
1125 Navy Inventory Managers	1-6
1126 Other Inventory Managers	1-8
1127 U.S. Navy Stock Points	1-8
1128 Other Stocking Activities	1-8
1130 Design Features of the U.S. Supply System	1-9
1131 Military Standard Requisitioning and Issue Procedures (MILSTRIP)	1-9
1132 Uniform Material Movement and Issue Priority System (UMMIPS)	1-10
1133 Military Assistance Program Address Directory (MAPAD)	1-10
1134 Automated Digital Network (AUTODIN)	1-11
1135 Defense Automatic Addressing System (DAAS)	1-11
1136 Automated Data Processing (ADP) Systems	1-12

1140	Cataloging and Identification of Material	1-12
1141	Defense Logistic Services Center (DLSC)	1-13
1142	Management List - Navy (ML-N)	1-13
1143	National Stock Number (NSN)	1-13
1144	The Master Cross Reference List (MCRL)	1-13
1145	The Master Repairable Item List (MRIL)	1-13
1150	Navy Cognizance Symbols for Inventory Managers	1-14
1200	SECTION C--THE FMS PROCESS	1-19
1210	The U.S. Navy and Foreign Military Sales	1-19
1220	The FMS Case	1-19
1221	Case Identifier	1-21
1222	Specialized "Pull" Cases: Direct Requisitioning, Cooperative Logistics, Repair Services	1-21
1230	FMS Role of the Chief of Naval Operations (CNO)	1-23
1240	FMS Role of the Chief of Naval Material/Naval Material Command (CNM/NMC)	1-24
1250	FMS Role of the Naval Supply Systems Command (NAVSUP)	1-24
1260	The U.S. Navy International Logistics Control Office (NAVILCO)	1-25
1270	The Security Assistance Accounting Center (SAAC)	1-26
1280	The FMS Supply and Financial Network	1-26
	REFERENCES FOR CHAPTER 1	1-28

INDEX OF FIGURES

		Page <u>Number</u>
1-1	The U.S. Navy Supply System	1-5
1-2	Inventory Managers in the U.S. Navy Supply System	1-7
1-3	Navy Material Cognizance Symbols for Designated Inventory Managers	1-15
1-4	Illustration of an FMS Case (<u>Offer and Acceptance</u> , DD Form 1513)	1-20
1-5	Construction of the FMS Case Identifier	1-22
1-6	The FMS Supply and Financial Network	1-27

CHAPTER 1. INTRODUCTION AND OVERVIEW

1000 SECTION A--INTRODUCTION

1010 The purpose of this Customer Guide is to introduce the Foreign Military Sales (FMS) customer to the U.S. Navy Supply System.

PURPOSE OF THE
FMS CUSTOMER
GUIDE

The entire document has been prepared from the perspective of the foreign customer. It is presented in easy-to-read format and is intended for ready reference. The guide provides, in a single source, an authoritative digest of the basic information needed by the FMS customer to understand and use the U.S. Navy Supply System.

1020 The complete guide contains twelve separate chapters, each dealing with a major aspect of support under the Foreign Military Sales Program. Individual chapters provide detailed coverage on one or more areas of special importance to the foreign military customer and his supply personnel. In addition to the twelve chapters, supplemental sections identified as appendices are included at the end of the guide for general reference.

HOW TO USE THE
GUIDE: ITS
STRUCTURE AND
ORGANIZATION

1030 Each chapter has been fully developed. Coverage on specific topics is presented as completely as possible within each chapter, to minimize the need for cross reference to related information elsewhere in the guide.

SCOPE OF
COVERAGE

The material in each procedural chapter is organized under three major sections.

1031

SECTION A

Section A presents a general description of the subject being covered in the chapter. Information and guidance is included, where needed, to ensure a full appreciation and understanding of the subject by the reader.

1032

SECTION B

Section B in each chapter presents the detailed procedures which apply to the specific subject area described. These are the "how to" portions of the guide--explaining in detail, in step-by-step sequence, the exact procedures to be followed by FMS customers.

1033

SECTION C

Finally, for added emphasis, Section C in each chapter highlights some significant areas of special interest as they apply to the foreign customer and the supply process under FMS.

In some chapters, the material included in Section C covers a broad range of supply-related topics. Each matter discussed is presented for its special merit as useful and important guidance to the foreign customer, to further understanding of the supply process and to enhance the effectiveness of support being provided to the FMS country as a customer of the U.S. Navy Supply System.

1040

TABLES OF
CONTENTS

The full Table of Contents for the guide is shown on pages ii to iv at the front of the document. In addition, for convenience to the reader and greater ease of access to specific portions of the guide, a more detailed listing of the contents of individual chapters is included at the beginning of each chapter.

1100 SECTION B--OVERVIEW OF THE U.S. NAVY
SUPPLY SYSTEM

1110 The U.S. Navy Supply System serves
GENERAL its foreign customers in much the same
manner as it provides material support
to its U.S. customers. However, the
U.S. Navy believes that by developing a
basic understanding of how its system
works, the foreign military customer
will be able to use the system more
effectively to supply his own require-
ments.

Therefore, this portion of the
guide provides an overview of the U.S.
Navy Supply System, highlights some
special areas of importance, and de-
scribes how the Foreign Military Sales
Program interfaces with the U.S. supply
system.

The following sections describe the
organizations that plan and perform the
functions of supplying customers with
material. Major activities in the
system are included, and the responsi-
bilities of each are defined. Organi-
zations of special interest and impor-
tance to foreign military customers are
described in detail, and their functions
are closely examined.

1120 The U.S. Navy Supply System is made
up of all those activities that identify
OVERVIEW: material requirements, procure, store,
FUNCTIONS OF THE and distribute material to support its
U.S. NAVY SUPPLY military customers. These customers
SYSTEM AND ITS are:
CUSTOMERS

- . U.S. Navy Fleet Units
- . U.S. Navy Shore Activities
- . Other U.S. Armed Forces
- . Foreign Military Customers.

1121

STRUCTURE OF THE
U.S. NAVY SUPPLY
SYSTEM

Figure 1-1 shows the principal offices and activities of the U.S. Navy Supply System, at three broad levels of management:

- . Policy level
- . Inventory Management level
- . Material Distribution level.

The functions performed by activities at each level of management are described briefly in paragraphs which follow.

1122

SECRETARY OF THE
NAVY (SECNAV)

The Secretary of the Navy (SECNAV) provides overall guidance and direction for the Navy supply management function.

1123

CHIEF OF NAVAL
OPERATIONS (CNO)

The Chief of Naval Operations (CNO) has primary responsibility for stating the overall requirements for naval material and equipment. The CNO also develops a general doctrine for supply support of U.S. Navy customers.

CNO has special importance to foreign customers because his Office is responsible for the negotiation and approval of all Foreign Military Sales (FMS) agreements for which the U.S. Navy has responsibility. The specific role of CNO in the FMS program is explained in paragraph 1230.

1124

CHIEF OF NAVAL
MATERIAL/NAVAL
MATERIAL COMMAND
(CNM/NMC)

The Chief of Naval Material (CNM) heads the Naval Material Command (NMC), which includes a Headquarters and five subordinate Systems Commands:

- . Naval Air Systems Command (NAVAIR)
- . Naval Sea Systems Command (NAVSEA)

FIGURE 1-1
The U.S. Navy Supply System

POLICY LEVEL

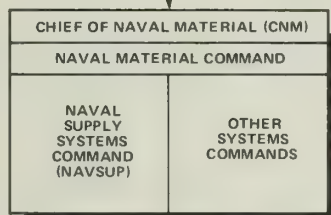
- PROVIDES GUIDANCE AND DIRECTION TO NAVY SUPPLY FUNCTION
- PROVIDES SPECIFIC PROCUREMENT GUIDANCE

SECRETARY OF THE NAVY (SECNAV)

- STATES OVERALL REQUIREMENTS FOR NAVAL MATERIAL
- PROVIDES DIRECTION FOR POSITIONING OF MATERIAL
- DETERMINES TRANSPORTATION REQUIREMENTS
- ESTABLISHES PERFORMANCE STANDARDS FOR THE SYSTEMS

CHIEF OF NAVAL OPERATIONS (CNO)

- TRANSLATES CNO OVERALL REQUIREMENTS INTO SPECIFIC MATERIAL REQUIREMENTS
- PRESCRIBES INVENTORY MANAGEMENT PROCEDURES
- PRESCRIBES PROCEDURES NECESSARY TO ACCOMPLISH OTHER SUPPLY FUNCTIONS



INVENTORY MANAGEMENT LEVEL

- IDENTIFY AND QUANTIFY REQUIREMENTS
- PROCURE MATERIAL
- DISTRIBUTE MATERIAL TO STOCK POINTS

NAVY INVENTORY MANAGERS

DEFENSE LOGISTICS AGENCY (DLA)

GENERAL SERVICES ADMINISTRATION (GSA)

INVENTORY MANAGERS OF THE U.S. ARMY AND AIR FORCE

MATERIAL DISTRIBUTION LEVEL

- RECEIVE AND STORE MATERIAL
- ISSUE MATERIAL
- ARRANGE FOR TRANSPORTATION OF MATERIAL TO CUSTOMERS

NAVY INDUSTRIAL FUND (NIF) ACTIVITIES

NAVY STOCK POINTS

DEFENSE LOGISTICS CENTERS

SUPPLY DISTRIBUTION FACILITIES

ARMY/AIR FORCE STOCK POINTS

U.S. CUSTOMER

1124

(Continued)

- . Naval Electronic Systems Command (NAVELEX)
- . Naval Facilities Engineering Command (NAVFAC)
- . Naval Supply Systems Command (NAVSUP).

The Chief of Naval Material (CNM) is tasked with development and implementation of procedures necessary to perform the functions of the supply system, and to develop and maintain procedures for inventory management of Navy material. Primary responsibility for the supply system has been delegated to the Naval Supply Systems Command.

1125

NAVY INVENTORY MANAGERS

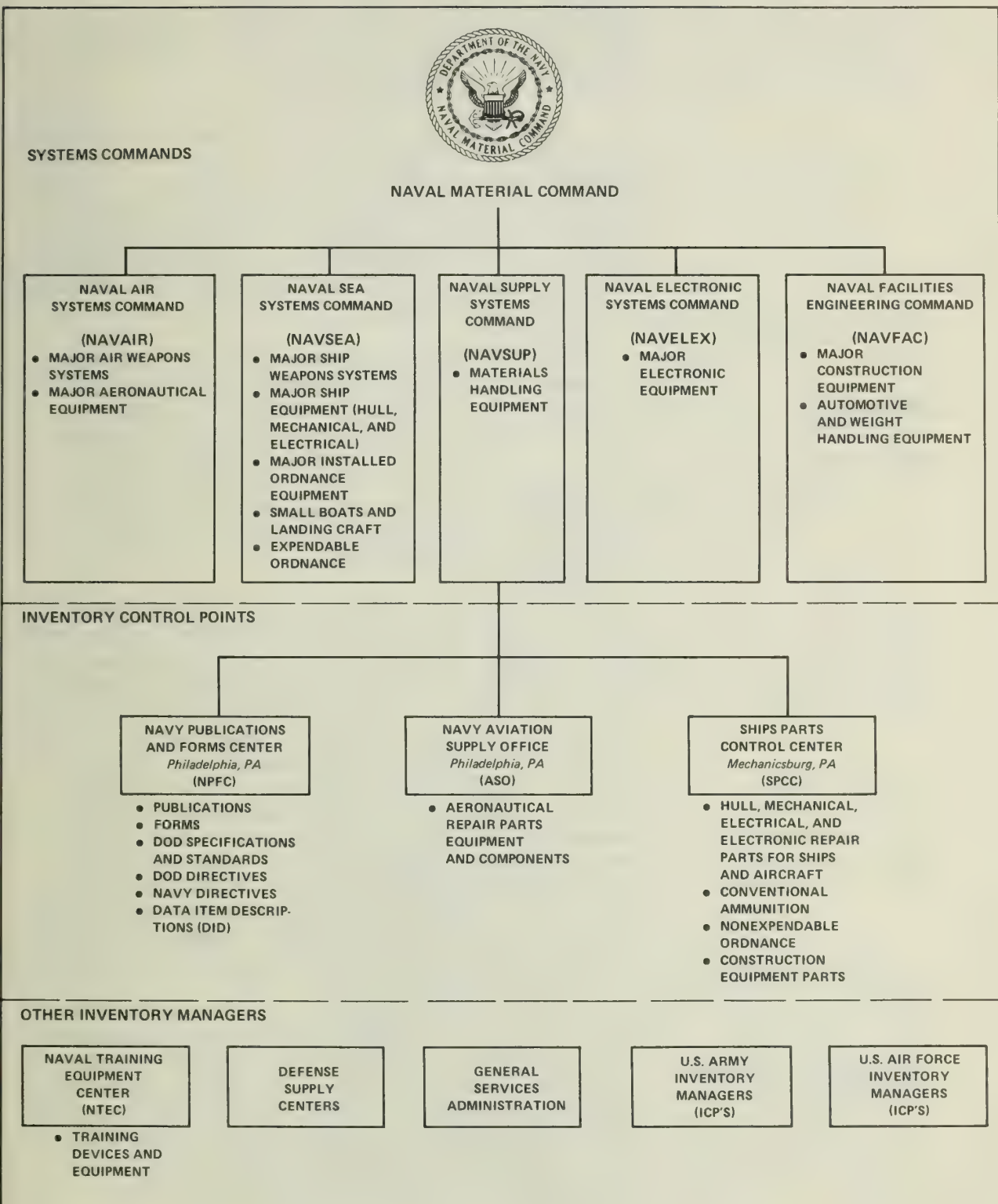
Inventory managers are directly involved with the operation of the supply system. These are the activities primarily responsible for identification of requirements, procurement, and distribution of Navy material. The objective of inventory management is to have the right amount of an item available when and where it is needed by a customer.

Figure 1-2 shows the three groups of Navy inventory managers. The first group includes the five Systems Commands within the Naval Material Command. The Systems Commands perform inventory management for major equipments and components.

The second group consists of Navy Inventory Control Points (ICP):

- . Aviation Supply Office (ASO)
- . Ships Parts Control Center (SPCC)
- . Navy Publications and Forms Center (NPFC).

FIGURE 1-2
Inventory Managers in the
U.S. Navy Supply System



1125

(Continued)

The ICP group, under NAVSUP direction, is responsible for management of repairable items, repair parts, publications, and other consumable materials primarily used by the Navy.

The third category of Navy inventory managers includes special activities not within the Naval Material Command. For example, the Naval Training Equipment Center (NTEC), shown in Figure 1-2, manages training devices and equipment. These items are often required by foreign military customers.

1126

OTHER
INVENTORY
MANAGERS

Three other types of U.S. inventory management activities shown in Figure 1-2 are the Defense Logistics Agency (DLA), General Services Administration (GSA), and inventory managers of the U.S. Army and U.S. Air Force. These activities are designated inventory managers, and support various Navy material requirements.

1127

U.S. NAVY
STOCK POINTS

Activities that perform the function of storing and issuing of naval material are called "stock points." Examples of U.S. Navy stock points are Naval Supply Centers, Naval Supply Depots, Naval Shipyards, and Naval Air Stations. These activities store material that has been identified, procured, and distributed by the inventory managers. Upon receipt of a customer order, the stock point issues the material and arranges for its transportation to the customer. Most U.S. Navy stock points are located in coastal regions of the continental United States, and at overseas locations.

1128

OTHER STOCKING
ACTIVITIES

DLA, GSA, and the U.S. Army and U.S. Air Force also have stock points which serve as distribution activities for material. DLA activities are called Defense Depots and GSA activities are called Supply Distribution Facilities. Some DLA/GSA managed material may also be stocked by designated Navy stock points.

1128

(Continued)

U.S. Army and U.S. Air Force stock points are included in Figure 1-1. In instances where Army or Air Force material is required by Navy customers, these activities may serve as the distribution points.

1130

DESIGN FEATURES
OF THE U.S.
SUPPLY SYSTEM

Within the overall U.S. supply system, there are some system design features that the foreign customer should understand. Most important among these are the:

- . Military Standard Requisitioning and Issuing Procedures (MILSTRIP)
- . Uniform Material Movement and Issue Priority System (UMMIPS)
- . Military Assistance Program Address Directory (MAPAD)
- . Automated Digital Network (AUTODIN)
- . Defense Automatic Addressing System (DAAS)
- . Automated Data Processing (ADP) Systems.

Some of these features are explained in more detail in later chapters of this guide and will be only briefly described in this chapter. Features not explained in other chapters are presented in more detail here.

1131

MILITARY
STANDARD
REQUISITIONING
AND ISSUE
PROCEDURES
(MILSTRIP)

Military Standard Requisitioning and Issue Procedures are the U.S. Department of Defense procedures by which the documents used to order, follow up, provide status, modify orders, and ship material are prepared. The procedures are used by both customer and supply activities. Documents prepared for the purposes noted are called MILSTRIP documents. The key to MILSTRIP is a system

1131

(Continued)

of codes which represent certain information pertaining to the processes of ordering, monitoring, and shipping material. These codes allow originators of documents to place much information on a small document. MILSTRIP codes are explained in detail in Chapter 2. The foreign customer should become familiar with their uses and meanings.

1132

UNIFORM MATERIAL
MOVEMENT AND
ISSUE PRIORITY
SYSTEM (UMMIPS)

The processing of requisitions and the issue, handling, and transportation of material throughout the U.S. Department of Defense (DOD) is governed by the Uniform Material Movement and Issue Priority System. UMMIPS provides a way of ensuring that more urgent requirements, both in terms of the degree of need and the military importance of the requisitioner, are accorded greater priority. Customer countries ordering material under the FMS program are required to utilize UMMIPS. UMMIPS is discussed in greater detail in Chapter 2.

1133

MILITARY
ASSISTANCE
PROGRAM ADDRESS
DIRECTORY
(MAPAD)

The Military Assistance Program Address Directory, DOD publication 5105.38D, is a document which contains addresses and corresponding address codes to identify where FMS material is to be shipped and documentation is to be sent. For this reason, it is a very important document for the foreign military customer. The foreign customer provides the proper addresses and coding by completing the Offer and Acceptance Document (DD Form 1513). Blocks 33 and 34 of the DD Form 1513 contain space for the appropriate coding of MAPAD entries. It is important to recognize that the foreign customer is normally responsible for the establishment and maintenance of MAPAD additions, revisions, and deletions. MAPAD changes must be forwarded by foreign customers to:

Defense Automatic Addressing
System Office (DAASO)
Gentile Air Force Base
Dayton, Ohio 45444, USA

1133 Foreign customers then utilize the MAPAD codes on all MILSTRIP documents. The U.S. supply system activities use the MAPAD code to determine quickly where the material is to be shipped. Improper use of or failure to use MAPAD codes will delay the processing of customer requisitions and subsequent shipments of material.

(Continued)

1134 MILSTRIP, UMMIPS, and the MAPAD are used by customers to prepare documents for obtaining material. One frequently used method of transmitting these documents into and within the U.S. supply system is the Automated Digital Network (AUTODIN). This is a worldwide electrical communication network used by nearly all U.S. forces to transmit digital data in electronic accounting machine (EAM) punched card format. Many foreign customers also have access to AUTODIN. The system is used by customers to transmit requisitions to the U.S. Navy International Logistics Control Office (NAVILCO) for introduction into the system and by supply activities to provide supply and shipping status to NAVILCO. For those FMS customers with access to AUTODIN, it provides a rapid means of communicating requisitions to NAVILCO and receipt of resulting status from that office. Use of AUTODIN greatly increases the speed with which customer requirements can be processed.

AUTOMATED DIGITAL NETWORK (AUTODIN)

1135 MILSTRIP documents transmitted using AUTODIN are routed to the proper activity by use of the Defense Automatic Addressing System (DAAS). DAAS ensures delivery of the document to the correct activity based on certain MILSTRIP codes mentioned earlier. DAAS, like AUTODIN, works with foreign customer documents coming from NAVILCO into the system and with resulting documents which the supply activities transmit back to NAVILCO.

DEFENSE AUTOMATIC ADDRESSING SYSTEM (DAAS)

1136

AUTOMATED DATA
PROCESSING (ADP)
SYSTEMS

Another system design feature is the use of Automated Data Processing (ADP) and the vital function it performs in today's U.S. supply system. An ADP system, as it applies to the U.S. supply system, can be described as the extensive use of computers to receive and process MILSTRIP documents. Navy inventory managers and stock points, GSA, DLA, and other U.S. Armed Forces supply activities utilize ADP systems in providing timely customer support. Computers are also used to record all supply transactions for historical purposes, and to prepare supply-related reports for U.S. and foreign government management personnel. Chapter 2 describes some of the specific uses of ADP systems and provides guidance to the customer on how to prepare MILSTRIP documents to take maximum advantage of ADP systems.

1140

CATALOGING AND
IDENTIFICATION
OF MATERIAL

A basic element of effective logistic support, both for the military services of the United States as well as foreign customer countries, is the accurate cataloging and identification of material. A full treatment of the details of cataloging lies beyond the scope of this guide. However, it is sufficient to recognize that an effective cataloging program, based on accurate material identification, is essential to a successful FMS support effort.

The special needs of the foreign military customer in the cataloging and identification of FMS material are discussed in several chapters of this guide. Chapter 2 includes detailed information on how stock numbers are formed and assigned, while Chapter 5 includes detailed instructions on identification and processing of repairable equipments under FMS procedures. The following is a summary of the key elements in cataloging and identification of U.S. Navy material.

1141
DEFENSE
LOGISTIC SERVICES
CENTER (DLSC)

The focal point for the U.S. Navy's cataloging and material identification program is the Defense Logistic Services Center (DLSC), Battle Creek, Michigan. Each U.S. military service utilizes this centralized support activity, under the Federal Cataloging Program, for recording military applications of individual repair parts and components, for determining their prior military use, if any, and for assigning National Stock Numbers when appropriate.

1142
MANAGEMENT LIST -
NAVY (ML-N)

The basic U.S. Navy catalog which provides item identification and management data is the Management List - Navy (ML-N) published on microfiche by the Defense Logistics Service Center (DLSC), Battle Creek, Michigan. The ML-N contains selected data for all Navy-managed and Navy-interest items, including material of U.S. Navy interest managed by the Defense Logistics Agency and the General Services Administration. The ML-N also provides a historical record of stock number changes and deletions.

1143
NATIONAL STOCK
NUMBER (NSN)

The ML-N lists only those items that have a known U.S. Navy application, which are cataloged for use in the Federal Supply System, and to which a National Stock Number (NSN) has been assigned. The formation of the NSN and its relationship to the Federal Cataloging Program are discussed later, in Chapter 2.

1144
THE MASTER CROSS-
REFERENCE LIST
(MCRL)

An important adjunct to the ML-N is the Master Cross-Reference List (MCRL). This document, also published on microfiche, enables the customer to cross-reference a manufacturer's part number to a NSN.

1145
THE MASTER
REPAIRABLE
ITEM LIST
(MRIL)

The Master Repairable Item List (MRIL) is the catalog of Navy-managed repairable items which identifies material to be returned to the manufacturer or to a designated U.S. Navy overhaul point for repair. Detailed

1145
(Continued)

instructions for processing repairable items under FMS procedures are included in Chapter 5.

1150
NAVY COGNIZANCE
SYMBOLS FOR
INVENTORY
MANAGERS

Items assigned to a particular Navy inventory manager can be identified by a two-character code known as a cognizance symbol, or "COG" for short. This two-character code is placed before the National Stock Number (NSN) of each item listed in the ML-N and identifies that NSN as being managed by a particular inventory manager.

The first character of the COG is a number which identifies the stores account within the U.S. supply system which finances the purchase of the item. The second character is a letter which identifies the type of material involved.

An example of the use of the cognizance symbol with the NSN is: 1N5901-00-471-1286. Here the cognizance symbol "1N" identifies this item as being a consumable electronic part managed by the Ships Parts Control Center. The cognizance symbol is used in all Navy supply documents and allows for quick identification of the activity responsible for the management of that item.

Navy cognizance symbols are also assigned to material managed by DLA and GSA. These cogs are coded in the same manner as the symbols for Navy-managed items. Even though the U.S. Army and U.S. Air Force do not utilize cognizance symbols within their distribution system, the U.S. Navy still assigns one for management and item routing purposes. These Navy assigned cognizance symbols also appear in the ML-N.

Figure 1-3 shows the Navy cognizance symbols assigned to inventory managers. These "cogs" correspond in general to the material categories shown in Figure 1-2. A complete listing of

FIGURE 1-3
Navy Material Cognizance
Symbols for Designated
Inventory Managers

	INVENTORY MANAGER	COGNIZANCE SYMBOL	MATERIAL DESCRIPTION	
EMS NT	ASO	1R	CONSUMABLE AERONAUTICAL, PHOTOGRAPHIC, AND METEOROLOGICAL MATERIAL	
		2R	REPAIRABLE AERONAUTICAL, PHOTOGRAPHIC, AND METEOROLOGICAL MATERIAL	
		4R	REPAIRABLE CATAPULT, ARRESTING GEAR AND LANDING AID MATERIAL	
		5R	CONSUMABLE CATAPULT, ARRESTING GEAR, AND LANDING AID MATERIAL	
		6R	AERONAUTICAL GROUND SUPPORT EQUIPMENT	
	NPFC	0I	NAVAL PUBLICATIONS	
		1I	NAVAL FORMS	
	NTEC	2O	TRAINING DEVICE EQUIPMENT	
	G	DLA	9C	CONSTRUCTION MATERIAL
			9G	GENERAL PURPOSE MATERIALS
9N			ELECTRONIC REPAIR PARTS	
9L			MEDICAL SUPPLIES	
9X			FUEL	
9Z		INDUSTRIAL MATERIAL		
GSA		9Q	GENERAL SUPPLIES & MATERIALS	
T NT		U.S. ARMY	5L	STRATEGIC COMMUNICATIONS COMMAND MATERIAL
			5M	SECURITY AGENCY MATERIAL
			9A	TANK-AUTOMOTIVE CENTER MATERIAL
	9E		TROOP SUPPORT COMMAND MATERIAL	
	9H		ARMAMENT COMMAND MATERIAL	
	9S	MISSILE COMMAND MATERIAL		
	9W	AVIATION COMMAND MATERIAL		
	9Y	ELECTRONICS COMMAND MATERIAL		
	U.S. AIR FORCE	5N	AIR FORCE CRYPTOLOGIC DEPOT MATERIAL	
		9F	WARNER ROBINS AIR LOGISTIC CENTER MATERIAL	
9I		OGDEN AIR LOGISTICS CENTER MATERIAL		
9J		OKLAHOMA CITY AIR LOGISTICS CENTER MATERIAL		
9K		SACRAMENTO AIR LOGISTICS CENTER MATERIAL		
	9V	SAN ANTONIO AIR LOGISTICS CENTER MATERIAL		

FIGURE 1-3
Navy Material Cognizance
Symbols for Designated
Inventory Managers

INVENTORY MANAGER	COGNIZANCE SYMBOL	MATERIAL DESCRIPTION	INVENTORY MANAGER	COGNIZANCE SYMBOL	MATERIAL DESCRIPTION
NAVAIR	2M	GROUND VEHICLES/CRYOGENIC FACILITIES	ASO	1R	CONSUMABLE AERONAUTICAL, PHOTOGRAPHIC, AND METEOROLOGICAL MATERIAL
	4M	METEOROLOGICAL MATERIAL		2R	REPAIRABLE AERONAUTICAL, PHOTOGRAPHIC, AND METEOROLOGICAL MATERIAL
	8M	AERONAUTICAL LAUNCH AND RECOVERY SYSTEMS		4R	REPAIRABLE CATAPULT, ARRESTING GEAR AND LANDING AID MATERIAL
	8R	MAJOR AERONAUTICAL SYSTEMS AND EQUIPMENT		5R	CONSUMABLE CATAPULT, ARRESTING GEAR, AND LANDING AID MATERIAL
	2V	AERONAUTICAL SUPPORT EQUIPMENT AND SONOBUOYS		6R	AERONAUTICAL GROUND SUPPORT EQUIPMENT
	4V	AIRCRAFT ENGINES		0I	NAVAL PUBLICATIONS
	2W	PHOTOGRAPHIC EQUIPMENT		1I	NAVAL FORMS
NAVSEA	2F	MAJOR SHIP ELECTRONIC EQUIPMENT	NPFC	2O	TRAINING DEVICE EQUIPMENT
	2S	MAJOR HULL, MECHANICAL, AND ELECTRICAL EQUIPMENT		9C	CONSTRUCTION MATERIAL
	2J	MAJOR ORDNANCE EQUIPMENT	DLA	9G	GENERAL PURPOSE MATERIALS
NAVELEX	2Z	MAJOR ELECTRONIC EQUIPMENT		9N	ELECTRONIC REPAIR PARTS
NAVFAC	2C	MAJOR CONSTRUCTION AND CIVIL ENGINEERING EQUIPMENT		9L	MEDICAL SUPPLIES
NAVSUP	2B	MATERIALS HANDLING EQUIPMENT		9X	FUEL
SPCC	1A	ORDNANCE EQUIPMENT & REPAIR PARTS FOR MAJOR ORDNANCE EQUIPMENT		9Z	INDUSTRIAL MATERIAL
	2A	ORDNANCE REPAIR PARTS	GSA	9Q	GENERAL SUPPLIES & MATERIALS
	4A	ORDNANCE REPAIR PARTS TO SUPPORT NAVAIR EQUIPMENT	U.S. ARMY	5L	STRATEGIC COMMUNICATIONS COMMAND MATERIAL
	6E	AIR MISSILE REPAIR PARTS		5M	SECURITY AGENCY MATERIAL
	2G	REPAIRABLE AIR WEAPONS SYSTEMS EQUIPMENT AND PARTS		9A	TANK-AUTOMOTIVE CENTER MATERIAL
	4G	REPAIRABLE ELECTRONIC SYSTEMS EQUIPMENT AND PARTS		9E	TROOP SUPPORT COMMAND MATERIAL
	6G	GENERAL PURPOSE ELECTRONIC TEST EQUIPMENT		9H	ARMAMENT COMMAND MATERIAL
	1H	SHIPBOARD EQUIPMENT AND REPAIR PARTS		9S	MISSILE COMMAND MATERIAL
	2H	SHIPBOARD EQUIPMENT AND REPAIR PARTS		9W	AVIATION COMMAND MATERIAL
	6M	AERONAUTICAL GROUND SUPPORT EQUIPMENT	U.S. AIR FORCE	9Y	ELECTRONICS COMMAND MATERIAL
	1N	ELECTRONIC MATERIAL		5N	AIR FORCE CRYPTOLOGIC DEPOT MATERIAL
	2N	REPAIRABLE ELECTRONIC MATERIAL		9F	WARNER ROBINS AIR LOGISTIC CENTER MATERIAL
	4N	REPAIRABLE ELECTRONIC MATERIAL FOR ORDNANCE		9I	OGDEN AIR LOGISTICS CENTER MATERIAL
	8N	TRAINING DEVICE REPAIR PARTS		9J	OKLAHOMA CITY AIR LOGISTICS CENTER MATERIAL
	2U	SURFACE MISSILE REPAIR PARTS		9K	SACRAMENTO AIR LOGISTICS CENTER MATERIAL
	4U	ASW WEAPONS SUPPORT ITEMS		9V	SAN ANTONIO AIR LOGISTICS CENTER MATERIAL
	6U	SURFACE WEAPONS SUPPORT ITEMS			

1150

(Continued)

Navy cognizance symbols identified to inventory managers and types of material represented are found in the MILSTRIP/MILSTRAP Operating Procedures Manual, NAVSUP publication 437.

1200

SECTION C--THE FMS PROCESS

1210

THE U.S. NAVY
AND FOREIGN
MILITARY SALES

The previous section provides a general overview of the U.S. supply system. The principal activities are identified at each level of management, and a summary of some key features of the system included.

This section focuses on an area of primary interest to foreign customers. The purpose of this portion of the guide is to explain the FMS process in the U.S. Navy by:

- . Defining "FMS Case"
- . Showing how the FMS Program interfaces with the U.S. Navy supply system
- . Describing FMS roles of some principal USN participants.

1220

THE FMS CASE

The term "Foreign Military Sales Case" describes a contractual sales agreement between the United States and an eligible foreign government. The FMS Case is documented by the U.S. Department of Defense Form 1513, Offer and Acceptance.

Figure 1-4 is an illustration of a hypothetical letter of Offer and Acceptance, DD Form 1513, covering shipboard equipment for the fictional Republic of Latonia.

The Offer and Acceptance is a formal document by which the U.S. Government offers to sell to a foreign government specified defense articles and services. The DD Form 1513 stipulates the items and/or services, estimated costs, the terms and conditions of sale, and provides for the foreign government's signature to certify acceptance.

FIGURE 1-4
Illustration of an FMS Case
(Offer and Acceptance, DD Form 1513)

UNITED STATES DEPARTMENT OF DEFENSE OFFER AND ACCEPTANCE				(1) PURCHASER (Name and Address) (Zip Code) Republic of Latonia (Latonian Navy) Ministry of the Navy Admiralty House Barlang, Latonia				
(2) PURCHASER'S REFERENCE Latonia Navy Minister Letter of 5 March 1979		(3) CASE IDENTIFIER LT-P-LAT						
OFFER								
Pursuant to the Arms Export Control Act, the Government of the United States (USG) hereby offers to sell to the above purchaser the defense articles and defense services listed below (hereinafter referred to collectively as "items" and individually as "defense articles" or "defense services"), subject to the terms contained herein and conditions set forth in Annex A, and to such other special terms and conditions which may be a part of, and appended to, this Offer and Acceptance.								
(4) Signature (US Dept./Agency Authorized Representative) (5) <u>A.M. Gates, Deputy Director, Security</u> Typed Name and Title Assistance Division (6) ADDRESS Office of the CNO (OP63) Washington, DC 20350 (7) DATE 15 May 1979 (8) THIS OFFER EXPIRES 30 July 1979				(9) Countersignature (Office of the Comptroller, DSAA) (10) <u>B.A. Fidd, Deputy Comptroller, DSAA</u> Typed Name and Title (11) DSAA ACCOUNTING ACTIVITY DSAA-SAAC Lowry AFB, Denver, CO 80729				
ITEM OR REF NO (12)	ITEM DESCRIPTION (Including Stock Number if applicable) (13)	QUANTITY (14)	UNIT OF ISSUE (15)	UNIT COST (16)	TOTAL COST (17)	AVAIL BILITY AND REMARKS (18)	OFFER RE LEASE CODE (19)	DE LIVERY TERM CODE (20)
1	AN/BOQ-21 Sonar, Complete	2	Set	\$27,221	\$54,442	P(26)	A	4
2	Initial Spares and Repair Parts for AN/BOQ-21 Sonar	2	Set	7,200	14,400	X(26)	A	4
(21) ESTIMATED COST				\$ 68,842				
(22) ESTIMATED PACKING, CRATING, AND HANDLING COST				2,409				
(23) ESTIMATED GENERAL ADMINISTRATIVE COSTS				2,065				
(24) ESTIMATED CHARGES FOR SUPPLY SUPPORT ARRANGEMENT								
(25) OTHER ESTIMATED COSTS (Specify)								
(26) ESTIMATED TOTAL COSTS				\$ 73,316				
(27) TERMS				(28) AMOUNT OF INITIAL DEPOSIT - \$ 18,329				
Dependable Undertaking (Type of Assistance, Code 5)								
ACCEPTANCE								
(29) I am a duly authorized representative of the Government of _____ Latonia _____ and upon behalf of said Government, accept this offer under the terms and conditions contained herein (30) this <u>5th</u> day of <u>July</u> 19 <u>79</u>				(33) MARK FOR CODE _____ R _____ (34) FREIGHT FORWARDER CODE <u>2</u> (35) PROCURING AGENCY <u>Latonia Ministry</u> <u>of Navy</u> (36) DESIGNATED PAYING OFFICE <u>Latonia Treasury Department</u> (37) ADDRESS OF DESIGNATED PAYING OFFICE <u>1801 King Street</u> <u>Barlang, Latonia</u>				
(31) SIGNATURE (32) <u>M.V. Ray, Captain, LN, Naval Attache</u> TYPED NAME AND TITLE								

DD FORM 1513
1 AUG 77

PREVIOUS EDITIONS ARE OBSOLETE.

PAGE 1 of PAGES

1220

(Continued)

A separate "case identifier" is assigned to each FMS case for the purpose of identification, accounting and data processing documentation for each accepted offer (DD Form 1513).

1221

CASE IDENTIFIER

As indicated in paragraph 1220, letters of Offer and Acceptance submitted to potential FMS customers are assigned a "case identifier." This case identifier is perpetuated after the letter of Offer and Acceptance is accepted; it is the unique means of identifying the case throughout its existence. The case identifier is a six-character symbol and consists of the following elements:

- . The appropriate country code
- . The implementing agency code
- . The case designator.

Figure 1-5 shows a sample case identifier and explains its derivation.

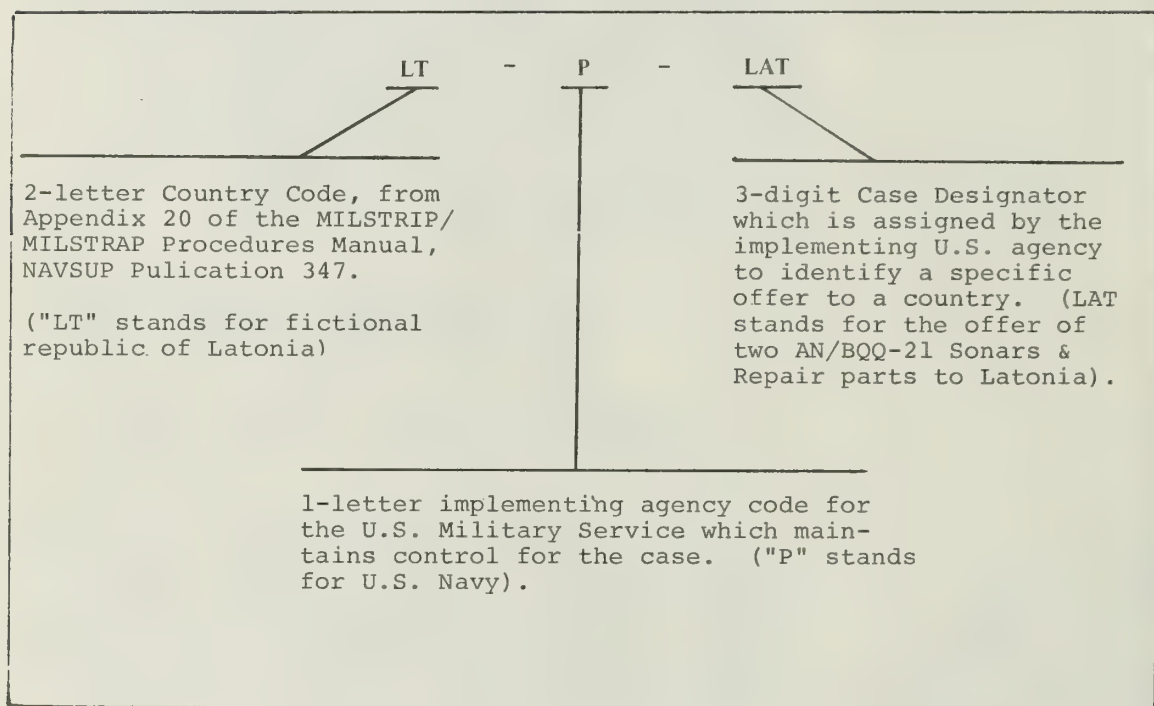
1222

SPECIALIZED
"PULL" CASES:
DIRECT REQUISITIONING, COOPERATIVE LOGISTICS, REPAIR SERVICES

Material or services (or both) may be furnished to FMS customers under either "push" or "pull" cases. There are, however, three specialized types of "pull" cases for which there are no "push" equivalents. These specialized types of "pull" cases are:

- . Direct Requisitioning Procedure (DRP) cases, which are established for overall money value. These cases permit the FMS customer to requisition items within broad categories of materials or services in support of one or more weapons systems. DRP requisitioning is described in detail in Chapter 3.

FIGURE 1-5
Construction of the FMS Case Identifier



1222

(Continued)

- . Cooperative Logistic Supply Support Arrangement (COOPLOG or CLSSA) cases, under which the FMS customer and the U.S. Government share the cost of the logistic support system for a weapon system used by both countries. COOPLOG is described in detail in Chapter 4.
- . Repair Service cases, which provide the FMS customer an arrangement with the U.S. Department of Defense to send unserviceable items to the United States for repair or overhaul. Repairables processing is described in detail in Chapter 5.

1230

FMS ROLE OF THE
CHIEF OF NAVAL
OPERATIONS (CNO)

Within the U.S. Department of the Navy, the Chief of Naval Operations (CNO) has overall responsibility for the Foreign Military Sales Program.

The Director, Security Assistance Division in the Office of the CNO (Code OP-63) has primary responsibility for Foreign Security Assistance. He exercises overall direction, guidance, and control of all Department of the Navy Security Assistance programs.

The Office of the CNO arranges for and manages the training of foreign military personnel in the U.S. and overseas under security assistance procedures.

CNO also negotiates and concludes Cooperative Logistics Arrangements (CLSSA) for logistics support with representatives of foreign governments and prepares service-to-service implementing procedures regarding logistic support of Navy weapons systems and equipment.

1240

FMS ROLE OF THE
CHIEF OF NAVAL
MATERIAL/NAVAL
MATERIAL COMMAND
(CNM/NMC)

The Chief of Naval Material (CNM) is responsible for developing and implementing procedures by which foreign customers are served. The Deputy Chief of Naval Material (Security Assistance), Code MAT 08F, has primary responsibility for Foreign Security Assistance matters within the Naval Material Command.

The CNM directs which Systems Command or inventory manager is responsible for implementing a Foreign Military Sales support agreement, and assures that timely action is taken to satisfy the FMS requirements.

CNM is also responsible for monitoring each agreement from the time it is signed until the last item of material has been delivered, billed, and paid for.

Periodically, the Chief of Naval Material convenes status review meetings with foreign customers. The purpose of this meeting is to review the overall status of the FMS program support being provided by the U.S. Navy to a customer country.

1250

FMS ROLE OF THE
NAVAL SUPPLY
SYSTEMS COMMAND
(NAVSUP)

The Naval Supply Systems Command has two major roles in the FMS program. First, as a major Systems Command, NAVSUP has responsibilities in directing the actions of its Inventory Control Points (SPCC, ASO, NPFC) and assigned stock points. Second, NAVSUP has overall responsibility for the supply function of the FMS program. To accomplish this second role for NAVSUP, the U.S. Navy International Logistics Control Office (NAVILCO) is located at Philadelphia, Pennsylvania, and is responsible for the detailed supply functions of the Navy's FMS Program.

1260

U.S. NAVY
INTERNATIONAL
LOGISTICS
CONTROL OFFICE
(NAVILCO)

NAVILCO is the focal point within the U.S. Navy for the introduction of all FMS requisitions into the U.S. supply system and the monitoring and reporting for these transactions until all material and services have been delivered. Its primary mission is to serve the Navy's foreign military customers. After the Offer and Acceptance, DD Form 1513, has been approved and the FMS case has been implemented, NAVILCO becomes the FMS customer's single point of contact for supply matters.

NAVILCO's FMS requisition monitoring role includes the following specific functions:

- . Validating customer requisitions to ensure proper information is included
- . Directing the requisitions to the appropriate element of the supply system
- . Taking action to ensure the timely delivery of material to meet customer requirements; this action includes necessary coordination with other elements of U.S. supply system
- . Providing status on availability and delivery of material to foreign customers
- . Preparing and distributing supply reports related to the Navy FMS Program
- . Conducting orientation and training for U.S. and foreign personnel in FMS policies and procedures

1260

(Continued)

- . Providing assistance and guidance to elements of the U.S. Navy Supply System and foreign customers in matters relating to FMS

- . Providing for the detailed Accounting and Financial Management for the Navy FMS Program.

1270

SECURITY ASSISTANCE ACCOUNTING CENTER (SAAC)

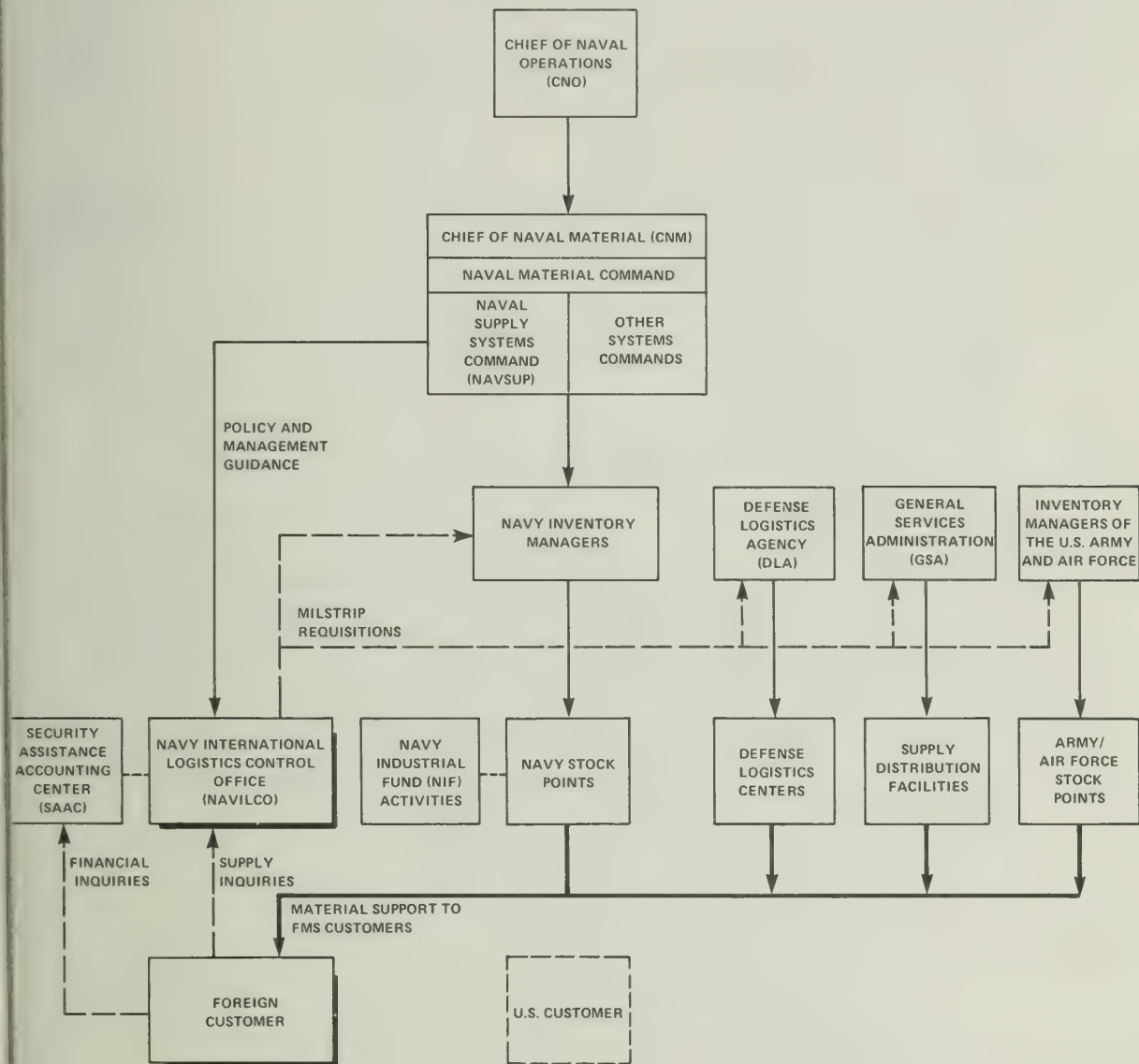
To achieve greater standardization of FMS financial transactions, the Security Assistance Accounting Center was established at Lowry Air Force Base, Denver, Colorado, to perform FMS accounting and billing for all the U.S. military services. SAAC serves as the central point-of-contact for all financial inquiries from the foreign customer.

1280

FMS SUPPLY AND FINANCIAL NETWORK

Figure 1-6 shows the U.S. system again, but it now highlights the relationship between NAVILCO, SAAC, and the foreign customer. The precise methods by which NAVILCO and SAAC accomplish the supply and financial tasks are the subjects of the individual chapters of this guide.

FIGURE 1-6
The FMS Supply and Financial
Network



REFERENCES FOR CHAPTER 1

Introduction to Federal Supply Catalogs and Related Publications

Naval Supply Systems Command (NAVSUP) Publication 4000
(NSN 0588 LP 411 2000)

Management List - Navy (ML-N)

Naval Supply Systems Command (NAVSUP) Publication 4100
(NSN 0588 LP 411 1000)

Master Repairable Item List (MRIL)

Naval Supply Systems Command (NAVSUP) Publication 4107
(NSN 0588 LP 410 2600)

Military Assistance and Sales Manual

Department of Defense (DOD) Publication 5105.38M

Military Assistance Program Address Directory (MAPAD)

Department of Defense (DOD) Publication 5105.38D
(NSN 0526 LP 510 5430)

MILSTRIP/MILSTRAP Operating Procedures Manual

Naval Supply Systems Command (NAVSUP) Publication 437
(NSN 0530 LP 170 0083)

CHAPTER 2. REQUISITIONING SYSTEM

CHAPTER 2. REQUISITIONING SYSTEM

T A B L E O F C O N T E N T S

	<u>Page Number</u>
2100 SECTION A--THE REQUISITIONING PROCESS	2-1
2110 Requisition - the Basic Ordering Document	2-1
2111 Basic Types of Requisitions - "Pull" and "Push"	2-1
2112 Requisition Flow	2-2
2120 Military Standard Requisitioning and Issue Procedure (MILSTRIP)	2-2
2121 Uniform Material Movement and Issue Priority System (UMMIPS)	2-4
2122 How UMMIPS Operates	2-4
2123 Deriving the Priority Number for a Requisition	2-4
2124 Force/Activity Designator (FAD)	2-5
2125 Urgency of Need Designator (UND)	2-5
2126 Use of the UMMIPS Matrix	2-5
2130 Requisition Transmission and Documents (General)	2-7
2131 Methods of Transmission: AUTODIN	2-7
2132 Mail Transmittal	2-7
2133 Message Transmittal	2-8
2134 Types of Requisition Documents; Mechanized Card Format, DD Form 1348M	2-9
2135 Manual Card Format, DD Form 1348	2-9
2136 Manual Document Format, DD Form 1348-6	2-9
2137 Message Format	2-10
2140 What Happens After Requisition Is Sent to NAVILCO	2-10
2150 Status Feedback	2-10
2160 NAVILCO - The Customer's Single Point of Contact	2-14
2161 Follow-Up	2-14
2170 Shipment of Material to the Customer	2-16
2171 Usual Method of Shipment	2-16
2172 Exceptions to the Usual Method of Shipment	2-16
2180 Reports Other Than Status Information	2-18
2181 The FMS Quarterly Requisition Report	2-18
2190 Summary	2-20

2200	SECTION B--REQUISITIONING UNDER FMS: DETAILED PROCEDURES	2-21
2210	Authority for Requisitioning	2-21
2220	Requisition Forms; Which Form To Use	2-21
2221	Punched Card Requisition Forms	2-21
2222	Non-NSN Requisition Form	2-25
2230	How To Fill Out Requisition, DD Form 1348 and DD Form 1348M for <u>Standard Material</u>	2-25
2231	Use of DD Form 1348-6 for <u>Non-Standard</u> Material	2-25
2232	Use of MILSTRIP Format in Message Requisitions (<u>Standard Material</u>)	2-25
2233	Message Requisition (<u>Non-Standard Material</u>)	2-39
2240	Transmission of Requisitions to NAVILCO	2-39
2250	Description of MILSTRIP Information Elements for FMS Requisitions	2-39
2251	Document Identifier	2-44
2252	Routing Identifier	2-44
2253	Media and Status Code	2-44
2254	Stock Number	2-44
2255	National Stock Numbers (NSNs) and Federal Stock Numbers (FSNs); Conversion from FSN to NSN	2-45
2256	Conversion of Stock Numbers for Publications and Forms	2-46
2257	Use of "Stock Number" Section When Ordering Non-Standard Material	2-46
2258	Unit of Issue	2-48
2259	Quantity	2-50
2260	Document Number	2-51
2261	Service Code	2-51
2262	Requisitioner	2-51
2263	Date	2-53
2264	Serial Number	2-53
2265	Demand Code	2-54
2266	Suffix Code	2-54
2267	Supplementary Address Code	2-56
2268	Service Code	2-57
2269	Offer Release Code and Freight Forwarder Code	2-57
2270	FMS Case Identification	2-60
2271	Signal Code	2-61
2272	Fund Code	2-61
2273	Distribution Code	2-61

Page
Number

2274	Project Code	2-62
2275	Priority	2-63
2276	Required Delivery Date	2-63
2277	Advice Code	2-64
2278	Card Columns 67-73; Block 23	2-66
2279	Price	2-66
2280	Status Information Provided to Customers	2-67
2281	Use of MILSTRIP to Provide Status	2-67
2282	DD Form 1348M Status Card	2-67
2283	AUTODIN Transmission	2-67
2284	What a Status Card Looks Like	2-68
2285	Types of Status Documents	2-68
2286	How to Interpret Supply Status	2-73
2287	How to Interpret Shipment Status	2-75
2290	Customer Follow-Up for Status Information	2-76
2291	Use of DD Forms 1348M/1348 for Follow-Up	2-83
2292	How to Fill Out DD Form 1348M and DD Form 1348 When Used for Follow-Up	2-83
2293	Use of DD Form 1348M Preferred; Transmittal of Follow-Up to NAVILCO by AUTODIN or Mail	2-85
2294	Follow-Up Transmittal to NAVILCO by Message	2-85
2295	Caution Against Too Frequent or Too Early Follow-Up	2-85
2296	Other MILSTRIP Documents Which May Be Encountered by Customers	2-86
2297	Other MILSTRIP Documents Which the Customer Originates	2-88
2298	Other MILSTRIP Status Documents Which the Customer May Receive	2-91
2299	Summary	2-93
2300	SECTION C--AREAS OF SPECIAL INTEREST	2-95
2310	How to Obtain MILSTRIP Forms	2-95
2320	Communication System Features: AUTODIN, DAAS, and MINIMIZE	2-96
2321	AUTODIN	2-96
2322	DAAS	2-97
2323	MINIMIZE	2-97
2330	Changing Priority of a Requisition	2-98
2331	Priority Change; Entire Quantity	2-99
2332	Priority Change; Partial Quantity	2-100

		<u>Page Number</u>
2340	Special Requisitioning Situations	2-101
2341	Major Weapons Systems or Equipment	2-101
2342	Importance of Monitoring "Push" Requisitions	2-102
2343	Recognizing "Push" Requisitions	2-102
2344	Planning for Receipt of "Push" Material	2-103
2345	Importance of Keeping Usage Data	2-103
2350	"Push" Requisitions for Services	2-104
2360	Requisitioning Publications	2-105
2361	Document Numbers for Changes to Basic Publications	2-106
2362	Requisitioning Changes Separately	2-106
2363	Requesting Automatic Distribution of Changes and Revisions with the Basic Publication	2-107
2364	Requesting Automatic Distribution of of Changes and Revisions Without the Basic Publication	2-107
2365	Identification of Publication Changes and Revisions Under Automatic Distribution	2-108
2370	Requisitioning Actions Which Should Be Taken or Avoided	2-108
2371	FMS Requisitioning "Dos" - Actions Which Should Be Taken	2-109
2372	FMS Requisitioning "Don'ts" - Actions Which Should Be Avoided	2-111
	REFERENCES FOR CHAPTER 2	2-112

INDEX OF FIGURES

		<u>Page Number</u>
2-1	FMS Requisition Flow	2-3
2-2	Use of the UMMIPS Matrix to Determine a Priority Number	2-6
2-3	FMS Requisition Flow	2-11
2-4	FMS Requisition and Status Flow	2-13
2-5	FMS Requisition, Status, Follow-Up Flow	2-15
2-6	FMS Requisition, Status, Follow-Up, and Material Flow	2-17
2-7	The Complete FMS Requisitioning Process	2-19
2-8	Development of Requisitions from the FMS Case	2-23
2-9	Table for Determining Which Requisition Form to Use	2-26
2-10	Requisition Information Elements; Standard Stock	2-27
2-11	Sample Requisition Document, DD Form 1348-6, Non-Standard Material	2-33
2-12	FMS Requisition for Standard Stock, MILSTRIP Message Format	2-37
2-13	FMS Requisition for Non-Standard Material, MILSTRIP Message Format	2-41
2-14	Table for Determining Which Requisition Form and Transmission Form to Use	2-43
2-15	Conversion of a Federal Stock Number (FSN) to a National Stock Number (NSN)	2-47
2-16	Example of Identifying Information of Non-Standard Material on DD Form 1348-6	2-49

		<u>Page Number</u>
2-17	Composition of a Requisition "Document Number"	2-55
2-18	Source of Notice of Availability Data	2-58
2-19	Frequently Used MILSTRIP Advice Codes	2-65
2-20	Comparison of DD Form 1348M Requisition and Status Cards	2-69
2-21	Sample DD Form 1348M Status Card	2-72
2-22	Frequently Used MILSTRIP Status Codes	2-74
2-23	MILSTRIP Mode of Shipment Codes	2-77
2-24	Example of Shipment Status Card, DD Form 1348	2-79
2-25	Comparison of Requisition and Follow-Up Cards, DD Form 1348M and DD Form 1348	2-84
2-26	Table for Determining When to Initiate Customer Follow-Up	2-87
2-27	MILSTRIP Requisition Rejection Codes	2-92

CHAPTER 2. REQUISITIONING SYSTEM

2100 SECTION A--THE REQUISITIONING PROCESS

2110 The key to supply support under FMS is the individual Requisition, the single, specific ordering document which shows exactly which particular item (or service), and how many of the items, is required by the customer country. An individual requisition applies to only one unique item, although the quantity of that single item ordered on each requisition may be more than one. Each requisition is assigned its own unique number to ensure positive identification and permit monitoring, follow-up, and other necessary action through the entire range of supply and financial processing.

REQUISITION - THE BASIC ORDERING DOCUMENT

Under the FMS Program, requisitions are submitted on standard U.S. Department of Defense (DOD) forms, or by electrically transmitted messages. The two standard forms most frequently used are the DOD Single Line Item Requisition System Document (Mechanical), DD Form 1348M, and the DOD Single Line Item Requisition System Document (Manual), DD Form 1348. (These forms are illustrated in Figure 2-10, following paragraph 2230.) Their use, and other requisitioning documents which may be used, are explained in detail in paragraphs 2130 through 2137 and in Section B of this chapter.

2111 Requisitions are initiated in two ways. One way of initiation is by a representative of the customer country (these are called "pull" requisitions, because the customer "pulls" material from the United States). The other way of initiation is by one of the many offices or agencies within the U.S. supply system which originate requisitions on behalf of the customer country (these are called "push" requisitions, because the U.S. supply system "pushes" material to the customer).

BASIC TYPES OF REQUISITIONS - "PULL" AND "PUSH"

2111

(Continued)

A typical example of a "pull" requisition is one originated by a supply activity within a customer country to replenish stock of a frequently used electronic part. A typical example of a "push" requisition is one originated by a U.S. inventory manager in ordering the initial supply of spare parts to support a particular weapon system being supplied to a customer country. A customer country representative will be aware of the existence of a "pull" requisition at the time he initially prepares the requisition. The customer country first becomes aware of a "push" requisition when initial status information is received from the U.S. Navy International Logistics Control Office (NAVILCO). Nevertheless, it is important that the customer closely monitor both "push" and "pull" requisitions. He must not assume that "push" requisitions will take care of themselves automatically, or require less of his attention, merely because they were initiated by someone else.

2112

REQUISITION
FLOW

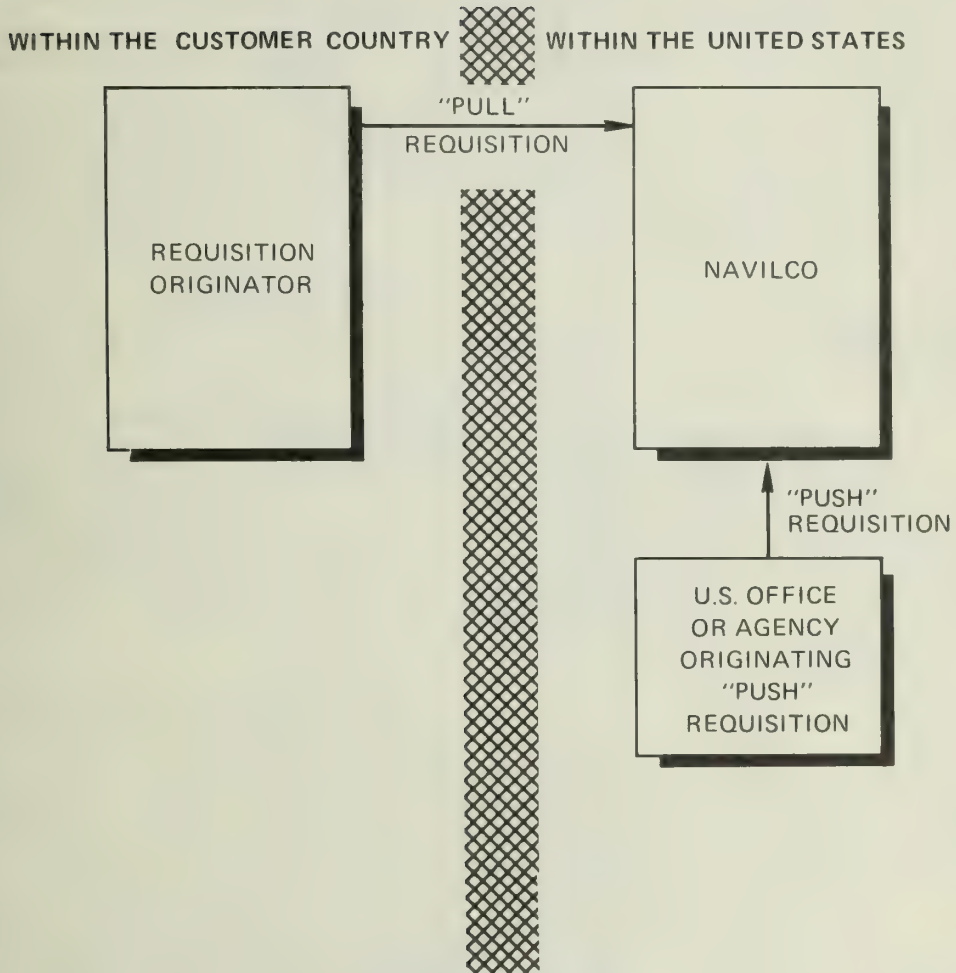
Figure 2-1 is a simplified representation of the flow of the requisition (either "push" or "pull") for an item being provided to a customer country under the FMS program.

2120

MILITARY STANDARD
REQUISITIONING
AND ISSUE PRO-
CEDURE (MILSTRIP)

Within the U.S. Department of Defense all the U.S. military services use standard requisition procedures and documentation governed by the Military Standard Requisitioning and Issue Procedure (which is abbreviated as MILSTRIP). MILSTRIP is described in detail in the MILSTRIP/MILSTRAP Operating Procedures Manual, Naval Supply Systems Command (NAVSUP) Publication 437. Customer countries ordering material under the FMS program are also required to follow MILSTRIP procedures and use standard MILSTRIP documents.

FIGURE 2-1
FMS Requisition Flow



2121

UNIFORM MATERIAL
MOVEMENT AND
ISSUE PRIORITY
SYSTEM (UMMIPS)

Similarly, the processing of requisitions and the issue, handling, and transportation of material throughout the U.S. Department of Defense is governed by the Uniform Material Movement and Issue Priority System (abbreviated as UMMIPS). The UMMIPS provides a way of ensuring that more urgent requirements (both in terms of the degree of need and the military importance of the requisitioner) are accorded greater priority. Customer countries ordering material under the FMS program are also required to utilize the UMMIPS.

2122

HOW UMMIPS
OPERATES

The UMMIPS directives (DOD Instruction 4410.6 and OPNAV Instruction 4614.1) set forth a procedure for deriving a priority number from 01 to 15 for each requisition. A lower order priority number indicates more urgent priority, while a higher order priority number indicates a less urgent priority. For example, requisitions assigned Priority 03 are for requirements of greater importance and urgency than requisitions assigned Priority 13.

It is important to understand that a requisition originator cannot choose from the entire range of priority numbers (01 through 15), but is normally limited to selection from among three priority numbers which the UMMIPS rules permit him to use. All requisition originators must abide by these rules. Abuse of UMMIPS must be avoided in order for the system to work for the benefit of all of its users.

2123

DERIVING THE
PRIORITY NUMBER
FOR A REQUISITION

The priority number for a requisition is obtained from a matrix provided in the UMMIPS directives. The priority number depends upon two elements:

2124

FORCE/ACTIVITY
DESIGNATOR (FAD)

The military importance of the activity which is to receive the material. This is indicated by a Force/Activity Designator (abbreviated as F/AD or FAD) shown by a Roman numeral from I through V. Normally, a customer country is assigned a F/AD by the U.S. Joint Chiefs of Staff which is applicable to all requisitions for material destined for the country. In some instances, a different F/AD may be assigned to a specific military service (e.g., Army, Navy, or Air Force) of a customer country, or to a particular FMS case.

2125

URGENCY OF NEED
DESIGNATOR (UND)

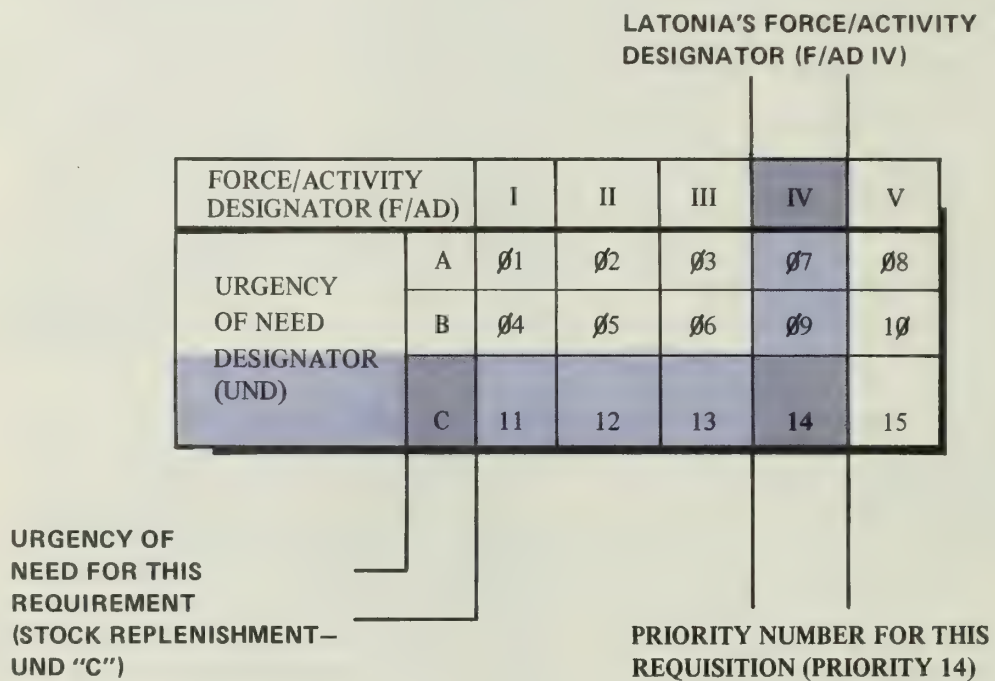
The receiving activity's urgency of need for the material being requisitioned is indicated by an Urgency of Need Designator (abbreviated UND) in alphabetic character form A, B, or C. The requisition originator determines the UND to be assigned, using the specific criteria set forth in the UMMIPS directives. In broad terms, UND "A" equates to an extremely urgent requirement, UND "B" to a less urgent requirement, and UND "C" to a routine requirement.

2126

USE OF THE
UMMIPS MATRIX

Figure 2-2 gives an example of the use of the UMMIPS matrix in determining the priority number for a requisition to replenish stock of an electronic part in the fictional country of "Latonia," which has been assigned F/AD IV.

FIGURE 2-2
Use of the UMMIPS Matrix
to Determine a Priority Number



2130

REQUISITION
TRANSMISSION AND
DOCUMENTS
(GENERAL)

All requisitions must contain certain standard elements of information, irrespective of the type of document used in their preparation or the method of transmission used to forward the requisition to NAVILCO. These elements are listed in a prescribed order, using predetermined coding, for convenience and efficiency. This information and manner in which it is arranged and coded is termed "MILSTRIP format" which is described in greater detail in Section B of this chapter and in the MILSTRIP directive, NAVSUP Publication 437. However, the type of document and the method of transmission are somewhat interdependent.

2131

METHODS OF TRANSMISSION:
AUTODIN

Three methods of requisition transmission are authorized for FMS requirements:

- . AUTODIN - Customer countries which have arrangements for access to the U.S. worldwide Automated Digital Network (AUTODIN), an electrical system for data transmission, are encouraged to use this method of forwarding requisitions to NAVILCO whenever possible.

NOTE: Use of AUTODIN requires that requisitions be prepared in MILSTRIP format on DD Form 1348M, DOD Single Line Item Requisition System Document (Mechanical), described more fully below and in Section B of this chapter.

2132

MAIL TRANSMITTAL

- . MAIL - Customer countries which do not have AUTODIN access should forward all but their most urgent requirements to NAVILCO via mail.

2132

(Continued)

NOTE: Requisitions forwarded via mail must be prepared in MILSTRIP format, but may use DD Form 1348M mentioned previously, or DD Form 1348, DOD Single Line Item Requisitions System Document (Manual). When a non-standard item is being ordered, the DD Form 1348-6, Non-FSN Requisition (Manual), should be used. (A "non-standard item" is an item which has not been assigned a National Stock Number (NSN) and is not carried in the U.S. supply system.) DD Form 1348-6 is described more fully below and in paragraph 2222. However, when ordering standard stock, use of DD Form 1348M is encouraged whenever possible, since these documents can be processed more quickly after receipt at NAVILCO.

2133

MESSAGE
TRANSMITTAL

- Message - (i.e., electrical transmission methods other than AUTODIN.) Customer countries which do not have AUTODIN access may forward their most urgent requirements to NAVILCO via electrically transmitted message.

NOTE: Requisitions transmitted via message must be in MILSTRIP format and should normally be limited to requirements having the greatest urgency, i.e., those which qualify for assignment of UND "A."

It should be noted that message traffic is limited to a maximum of seven requisitions per message.

2134

TYPES OF REQUISITION DOCUMENTS;
MECHANIZED CARD
FORMAT, DD FORM
1348M

As indicated above, all requisitions must be submitted in MILSTRIP format in one of the four documentary forms described below.

- . Mechanized Form using DD Form 1348M, which is a punched card form, may be transmitted to NAVILCO either by AUTODIN or mail, and should be used whenever possible to permit speedy processing at NAVILCO.

CAUTION: DD Forms 1348M containing written information in the "Remarks" section of the document cannot be transmitted to NAVILCO via AUTODIN. These must show the coding "A05" in the "Document Identifier" section of the card and must be forwarded to NAVILCO by mail.

2135

MANUAL CARD
FORMAT, DD FORM
1348

- . Manual Form using DD Form 1348, a card form which may be prepared by typewriter or legibly printed, and must be submitted to NAVILCO by mail. DD Form 1348 is available in two-, four-, and six-part (copy) sets. The choice of which type to use should be made by the customer based on his requirements for copies of the requisition; only the original of the DD Form 1348 need be submitted to NAVILCO.

2136

MANUAL DOCUMENT
FORMAT, DD FORM
1348-6

- . In instances when a non-standard item is being ordered, the DD Form 1348-6, Non-FSN-Requisition (Manual) should be used. DD Form 1348-6 may be used only when ordering non-standard items. When the DD Form 1348-6 is used, the original and one copy should be forwarded to NAVILCO by mail.

2137

MESSAGE FORMAT

. Message Form, using the prescribed MILSTRIP format and whatever document is appropriate to the method of electrical transmission being used, is the fourth type of documentary form which may be used for requisition submission.

2140

WHAT HAPPENS
AFTER REQUISITION IS SENT TO
NAVILCO

As indicated in Figure 2-1, all customer requisitions (whether "push" or "pull") are forwarded to NAVILCO. Here they are recorded in the NAVILCO master files, and necessary financial review and commitment actions are taken. NAVILCO next forwards the requisition to the inventory manager within the U.S. supply system which has cognizance over the item or type of material requisitioned.

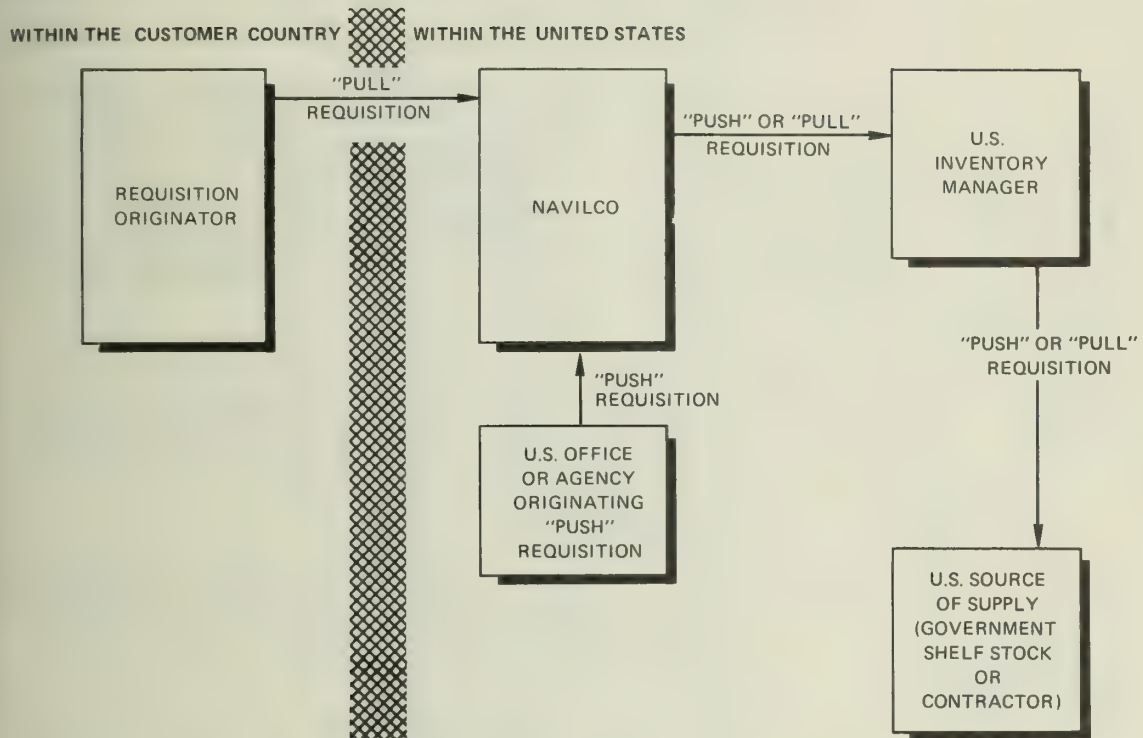
The inventory manager initiates action to obtain the material desired and have it shipped to the customer. This may involve directing the release of material from stock already on hand in the U.S. supply system. Or, if the item is not in stock or is non-standard, the inventory manager will initiate action to purchase the material from a commercial contractor. This onward flow of the requisition to the U.S. inventory manager and the U.S. source of supply is shown in Figure 2-3.

2150

STATUS FEEDBACK

Throughout this process, status information indicating the progress of supply action will be provided to NAVILCO by the various U.S. activities involved in processing the requisition. In turn, as this status information is received, NAVILCO will forward it (in the punched card format prescribed by MILSTRIP) to the customer. For more detailed treatment of the status reporting process, refer to paragraphs 2280 through 2287.

FIGURE 2-3
FMS Requisition Flow



2150

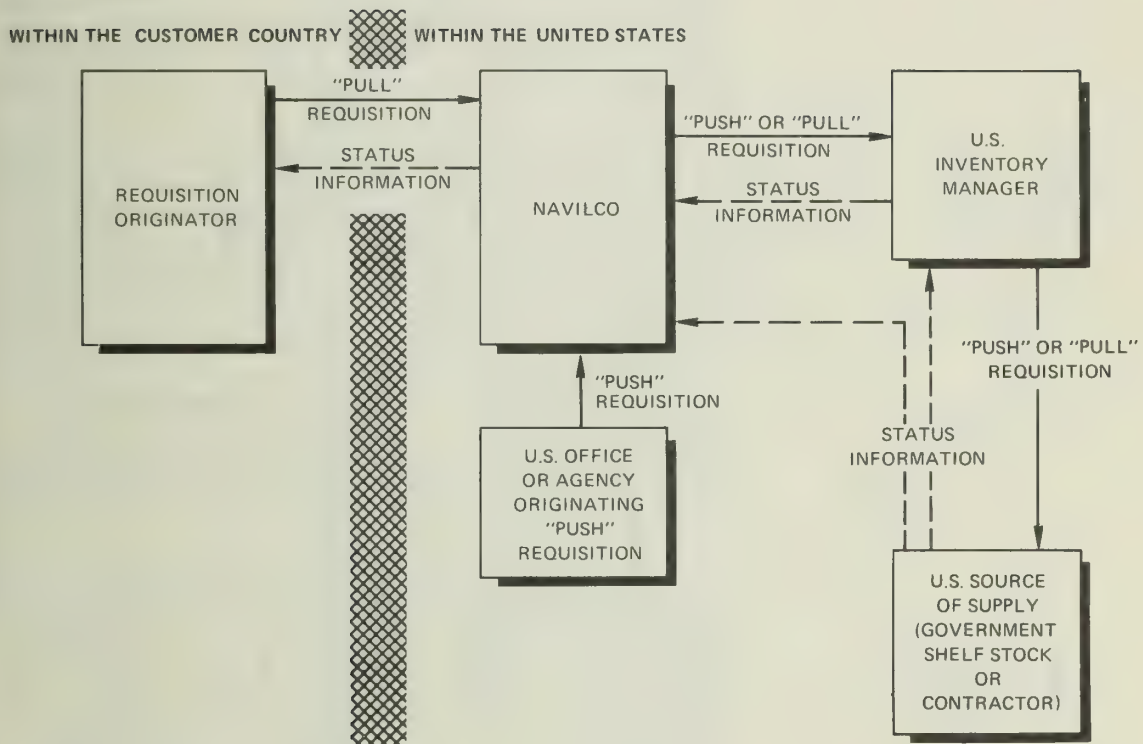
(Continued)

Usually the first element of status information received by the customer will be an acknowledgement from NAVILCO that the requisition has been received and recorded. Following that, successive elements of status information forwarded from NAVILCO to the customer might typically indicate:

- . Receipt of the requisition by the cognizant inventory manager and indication of the source of supply designated to furnish the material (or that the material is being purchased, and a forecast delivery date)
- . Confirmation of the price of the material as shown on the original requisition, or advice as to a different price if the price on the requisition is not accurate
- . Acknowledgement by the source of supply that the requisition has been received and supply action is being taken
- . Advice by the source of supply that material has been issued
- . Advice by the source of supply that the material has been shipped, indicating the method of shipment and other transportation data, as appropriate.

Normally, after material has been shipped, further status provided to the customer takes the form of financial, rather than supply, information. Figure 2-4 adds the flow of status information to the requisition flow depicted previously in Figures 2-1 and 2-3.

FIGURE 2-4
FMS Requisition and Status Flow



2160

NAVILCO - THE
CUSTOMER'S
SINGLE POINT
OF CONTACT

It is important for customers to realize that NAVILCO is the single point of contact for all FMS requisitions submitted to the U.S. Navy. Requisitions must be sent to NAVILCO. Status information is furnished to the customer by NAVILCO and, as indicated below in paragraphs 2161, 2290 through 2295, and in Chapter 7 of this manual, customer follow-up (and reports of discrepancy, when necessary) should be directed to NAVILCO.

2161

FOLLOW-UP

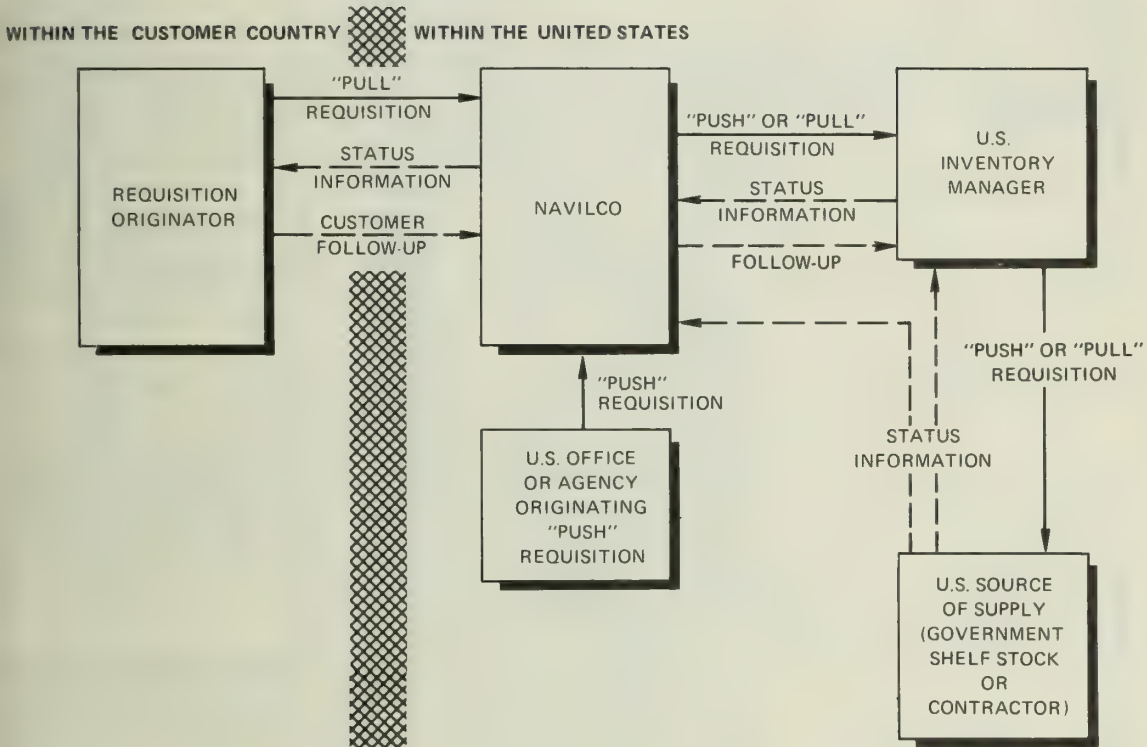
NAVILCO conducts automatic follow-up action within the U.S. supply system on all open requisitions for which it does not have current valid status information and forecast delivery dates (or for which the forecast delivery date is past). Status information received in response to these follow-ups is forwarded to the customer by NAVILCO in MILSTRIP format, soon after it is received. This should minimize the necessity for follow-up action by the customer.

If a customer determines that follow-up is necessary, he should prepare it in MILSTRIP format (preferably in punched card form using DD Form 1348M or, alternatively, using DD Form 1348 completed by typewriter or in legible printing). Follow-up cards should be transmitted to NAVILCO using AUTODIN in those cases where the customer has AUTODIN access or, alternatively, by mail.

Follow-up may also be transmitted by message or telephone in MILSTRIP format in instances of unusual urgency.

Figure 2-5 adds customer follow-up to the flowchart of the requisition process.

FIGURE 2-5
FMS Requisition, Status,
and Follow-up Flow



2170

SHIPMENT OF
MATERIAL TO THE
CUSTOMER

Material is shipped from the source of supply, whether a U.S. Government activity or a commercial contractor, to the customer or his representative. In most instances, FMS customers utilize a freight forwarder in the United States to handle material shipments on their behalf. It is to these freight forwarders that the shipments are directed by the source of supply.

2171

USUAL METHOD OF
SHIPMENT

If other than mail is used as the method of transportation, shipment is normally made "f.o.b. origin" on a "collect commercial bill of lading." This means that title, or ownership, of the material shifts from the U.S. Government to the customer country government at the time shipment is made from the source of supply. It also means that the freight forwarder (or other customer country representative) will be required to pay the costs of transportation from the source of supply upon arrival of the material. When mail shipment is used, postage is normally prepaid by the sender. The freight forwarder then makes necessary arrangements for onward transportation of material to the customer country destination.

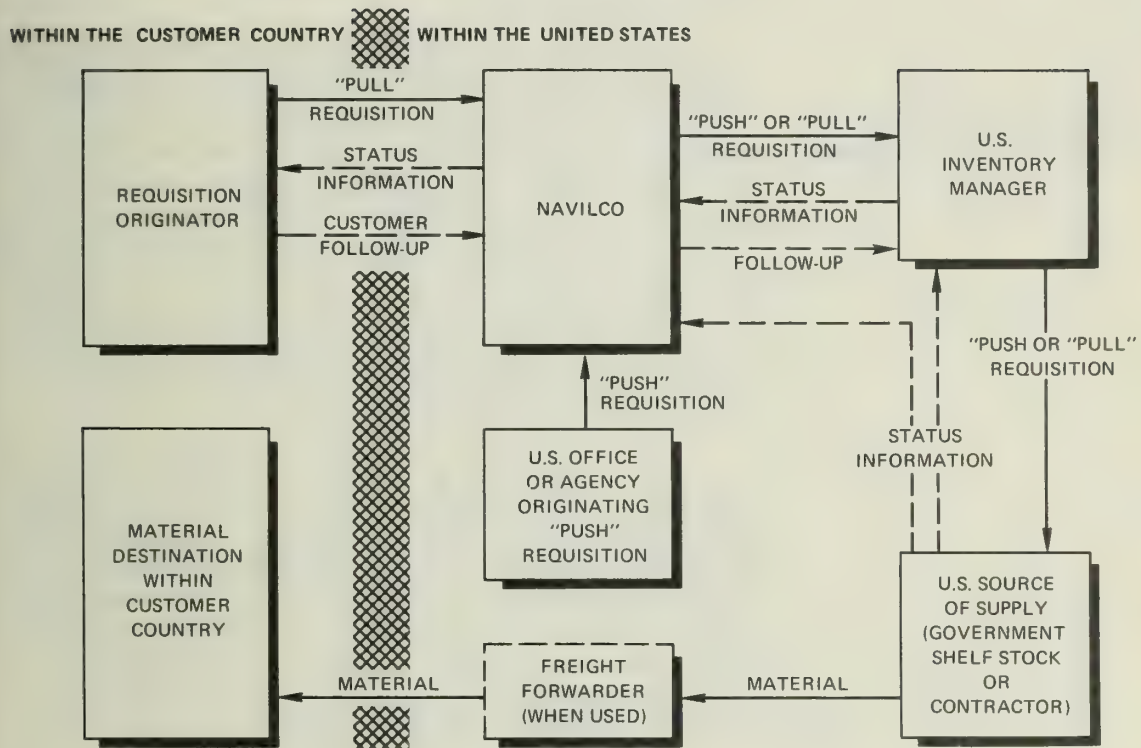
2172

EXCEPTIONS TO
THE USUAL METHOD
OF SHIPMENT

Exceptions to the usual arrangement for shipment (f.o.b. origin using a collect commercial bill of lading) are most often made in the case of ammunition, classified material, or U.S. Government furnished equipments. In these instances, shipment is usually made via U.S. Government transportation or via a prepaid U.S. Government Bill of Lading. Arrangements for these methods of transportation are included in the Offer and Acceptance (DD Form 1513) agreed to by the customer country and the U.S. Government.

Figure 2-6 adds the flow of material (and the freight forwarder) to the requisition process flowchart.

FIGURE 2-6
FMS Requisition, Status,
Follow-up, and Material Flow



2180

REPORTS OTHER
THAN STATUS
INFORMATION

In addition to status information which is forwarded by NAVILCO to the customer country as it is received, another periodic report is provided to customers which will assist them in monitoring the supply status of material requisitioned under the FMS program. This report is the FMS Quarterly Requisition Report.

2181

THE FMS QUARTERLY
REQUISITION REPORT

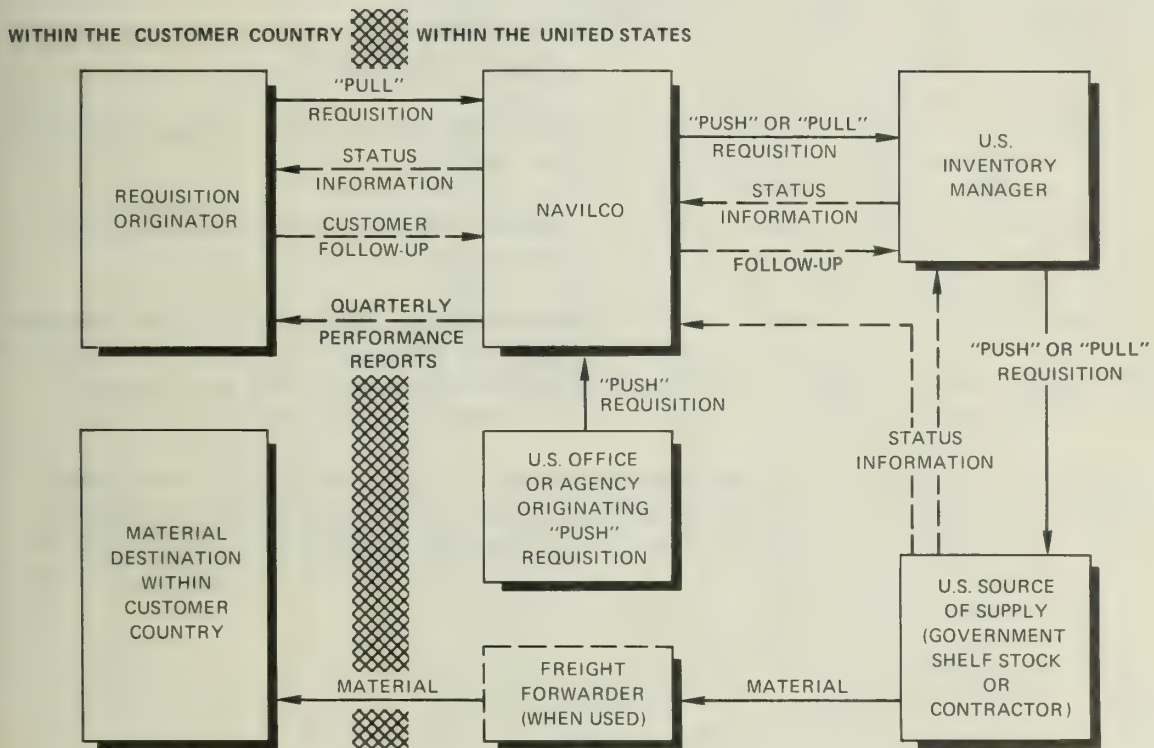
The FMS Quarterly Requisition Report provides, for each FMS case, a listing of all requisitions applicable to the case which have been received by NAVILCO and for which NAVILCO has not received shipment information. For these requisitions, a forecast delivery date is shown. The report also lists requisitions for which shipment data have been received during the preceding 3 months, as well as requisitions which may have been canceled during that period.

For material which has been shipped, the date of shipment and transportation information is also shown. Requisitions will continue to be listed on subsequent quarterly reports as long as the material is unshipped. After a requisition has been shown on one quarterly report as being shipped or canceled, it will not be included on subsequent reports.

Figure 2-7 adds the flow of quarterly reports from NAVILCO to the customer to the requisition process flowchart. This completes the flowchart which now depicts the flow of:

- . Requisitions
- . Status information
- . Customer follow-up inquiries
- . Material
- . Reports made by NAVILCO to the customer.

FIGURE 2-7
The Complete FMS
Requisitioning Process



2190

Thus far, this chapter has described in general terms:

SUMMARY

- . What a requisition is
- . How FMS requisitions are originated and transmitted to NAVILCO
- . The flow of requisitions and status information
- . How the customer takes follow-up action
- . The flow of material to the customer
- . Reports provided to the customer by NAVILCO which can assist in monitoring the progress of supply action.

The sections that follow will describe the requisitioning process in greater detail from the customer's viewpoint.

2200

SECTION B--REQUISITIONING UNDER FMS:
DETAILED PROCEDURES

2210

AUTHORITY FOR
REQUISITIONING

Each requisition submitted under the FMS program must be for material or services authorized, either in general or of specific terms, in an active FMS case covered by a signed DD Form 1513, Offer and Acceptance. Usually, this authorization will be worded in quite general terms. It is very seldom that the DD Form 1513 will show the actual stock number and name of an item which will later be ordered in a requisition prepared by a customer country representative. Usually the single item ordered on a requisition will be only one of many individual items to be ordered in filling the overall requirement represented by a single numbered item in the body of the DD Form 1513. Figure 2-8 illustrates this with a hypothetical example.

2220

REQUISITION FORMS;
WHICH FORM TO USE

As indicated in Section A of this chapter, requisitions for material under the FMS program must be submitted in MILSTRIP format. MILSTRIP format is a coding system for reporting essential elements of information in a standard sequence within the limited space available in a standard data processing punched card. This permits mechanized handling and speeds up requisition processing.

2221

PUNCHED CARD
REQUISITION FORMS

It was previously indicated that there are two punched card forms which may be used for requisitioning material. The first of these is the DD Form 1348M, DOD Single Line Item Requisition System Document (Mechanical), which permits direct AUTODIN transmission and mechanical processing. This form should be used whenever possible. The second punched card form is the DD Form 1348, DOD Single Line Item Requisition System Document, which is filled out by typewriter or in legible printing. This card can be converted for mechanical processing and is the alternative to the DD Form 1348M.

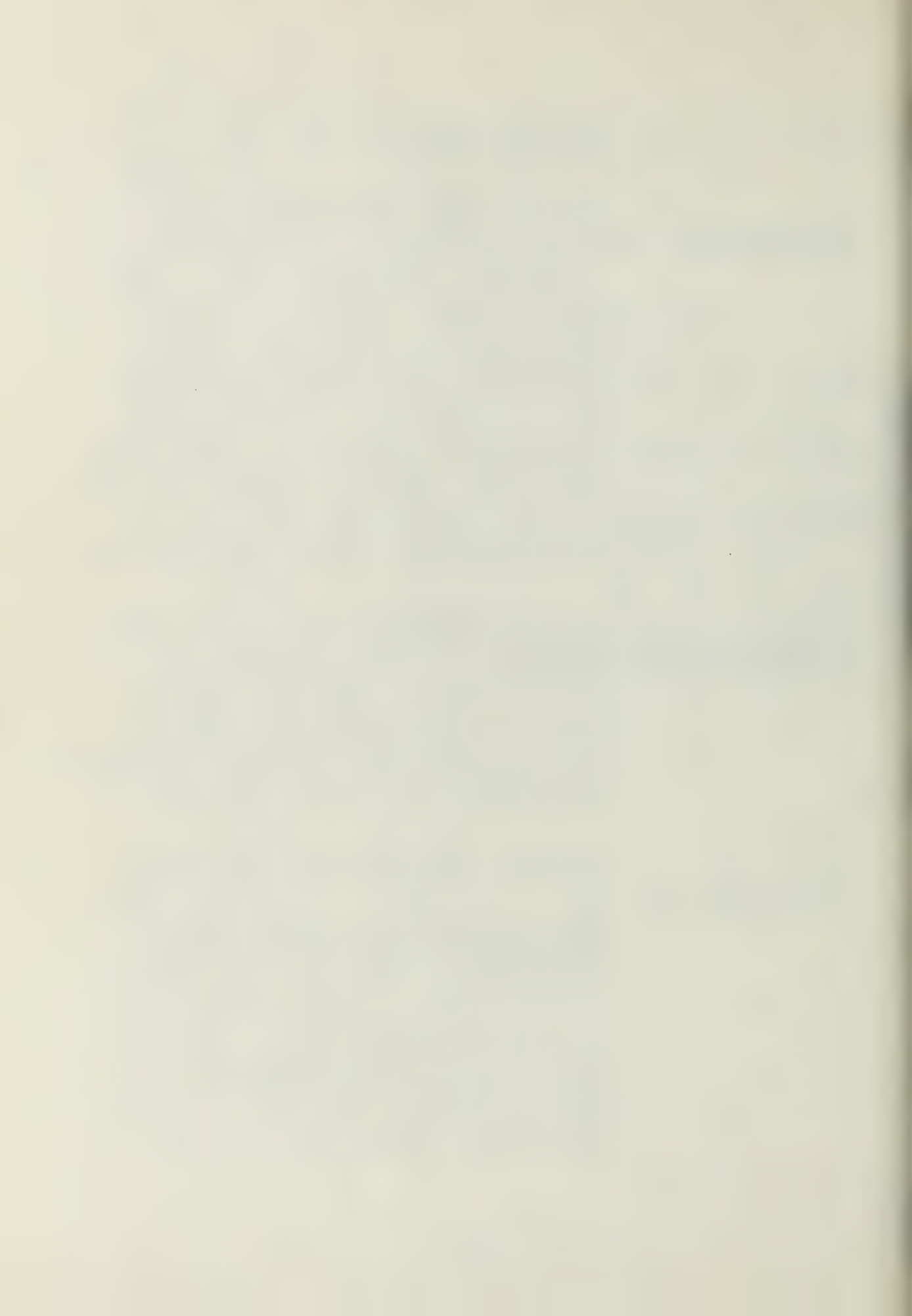


FIGURE 2-8
Development of Requisitions
from the FMS Case

8
tion Document
Single Line Item) DD Form 1348M
Repair Part or Item of Material

DD 5105.38
MAP Address Directory (MAPAD)

REQUISITION IS FROM		PROJECT		PRICED BY		DATE		STATUS	
STOCK NUMBER									
UNIT OF ISSUE									
QUANTITY									
REMARKS									

MAPAD DD 5105.38
MAP ADDRESS DIRECTORY
SECTION B - FOREIGN MILITARY SALES

MAPAC	T A C	CLEAR TEXT ADDRESS
PLT R00	M	LATONIA NAVY MINISTRY NAVAL SUPPLY CENTER BARLANG, LATONIA
PLT 002	2	LATONIA NAVY c/o BEHRING SHIPPING CO. BEHRING INTERNATIONAL 415 RARITAN CENTER EDISON N.J. 08219

MARK FOR MAPAC:

P LT R 00
(ALWAYS)

SHIP TO MAPAC:

P LT 00 2
(ALWAYS)

SUPPLEMENTARY ADDRESS									
SERIAL									
SERVICE OFFER/RELEASE FREIGHT FORWARD									
P A 2 L A T									
1 42 43 44 45 46 47 48 49 50									

DD 5105.38
MAP Address Directory (MAPAD)

FMS Case Accepted and Implemented. Requisitioning Authority Established

DD FORM 1513
1 AUG 77

PREVIOUS EDITIONS ARE OBSOLETE.

PAGE 1 of 1 PAGES

**Individual Requisitions (Single Line Item) DD Form 1348M
Required for Each Single Repair Part or Item of Material
to be Ordered**

DOCUMENT NUMBER										SERIAL										
SERVICE	COUNTRY	MARK FOR DELIVERY TERMS	TYPE ASSISTANCE	JULIAN DATE	SERIAL	SERVICE	OFFER/RELEASE	FREIGHT FORWARD		SERVICE	OFFER/RELEASE	FREIGHT FORWARD								
P	L	T	R	4	5	9	2	8	3	0	0	2	1	P	A	2	L	A	T	
30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50

P LT R 00
(ALWAYS)

P LT 00 2
● ● (ALWAYS) ●

MAPAC	T A C	CLEAR TEXT ADDRESS
PLT R00	M	LATONIA NAVY MINISTRY NAVAL SUPPLY CENTER BARLANG, LATONIA
PLT 002	2	LATONIA NAVY c/o BEHRING SHIPPING CO. BEHRING INTERNATIONAL 415 RARITAN CENTER EDISON N.J. 08219

2222

NON-NSN REQUI-
SITION FORM

The DD Form 1348-6, Non-NSN Requisition (Manual) is a third form and should be used only for ordering non-standard items (i.e., items which do not have a National Stock Number). This form has been specifically designed to accommodate non-standard items and to facilitate supply system processing of these requirements.

Figure 2-9 summarizes in tabular form the information given in the paragraphs above.

2230

HOW TO FILL OUT
REQUISITION, DD
FORM 1348 AND DD
FORM 1348M FOR
STANDARD
MATERIAL

Figure 2-10 shows examples of both the mechanized card format (at the left-hand side of the figure) and the manual card format (on the right-hand side of the figure) of a requisition for a standard item. The text in the center of the figure identifies the information elements and shows what the customer should place in each section of the requisition form.

2231

USE OF DD FORM
1348-6 FOR NON-
STANDARD MATERIAL

Figure 2-11 illustrates preparation of a requisition for non-standard material using the DD Form 1348-6 document format. This form should only be used when ordering non-standard material.

2232

USE OF MILSTRIP
FORMAT IN MESSAGE
REQUISITIONS
(STANDARD MATE-
RIAL)

As indicated in paragraph 2133, requisitions for material having an especially high degree of urgency (i.e., qualifying under UMMIPS criteria for assignment of UND "A") may be forwarded to NAVILCO by electrically transmitted message, rather than mail. In these instances, the information elements must be converted to MILSTRIP message format. Figure 2-12 provides an example of how the sample requisition for standard material previously shown in Figure 2-10 would appear in message form.

FIGURE 2-9
Table for Determining
Which Requisition Form to Use

If customer country activity preparing the requisition for transmission to NAVILCO . . .

	HAS capability to prepare key-punched cards, and . . .		Does NOT have capability to prepare key-punched cards, and . . .	
	Material is STANDARD	Material is NON-STANDARD	Material is STANDARD	Material is NON-STANDARD
	↓	↓	↓	↓
Prepare Requisition Using . . .	MECHAN- IZED CARD DD Form 1348-M	MANUAL FORM DD Form 1348-6	MANUAL CARD DD Form 1348	MANUAL FORM DD Form 1348-6

2-27/(2-28 blank)

FIGURE 2-10
Requisition Information Elements;
Standard Stock

SAMPLE DD FORM 1348M

FMS REQUISITION FOR
STANDARD STOCK MATERIAL
(MECHANIZED FORMAT)

DD FORM 1348M 1 JAN 64 (NAVY)

1-3: LOCATION (CARD COLUMNS) DD FORM 1348M

4-6: IDENTIFICATION & FMS CUSTOMER INPUT

7: LOCATION (BLOCK) DD FORM 1348

8-22: STOCK NUMBER

23, 24: UNIT OF ISSUE

25-29: QUANTITY

30-43: DOCUMENT NUMBER

30: SERVICE CODE

(Not Appli-
cable to DD
Form 1348M)
(Not Appli-
cable to DD
Form 1348M)

ACTIVITY TO WHICH REQUISITION IS BEING SENT. Always enter "NAV-ILCO, Philadelphia, PA."

CUSTOMER COUNTRY FROM WHICH REQUISITION ORIGINATES. Enter name of your country. ("Latonia" is a fictional country used for illustrative purposes only.)

DOCUMENT IDENTIFIER. Insert "A01" if no remarks are included in the "Remarks" section, Blocks L through V. Insert "A05" if remarks are included in Blocks L through V.

ROUTING IDENTIFIER. Insert "N65" which will route the requisition to NAVILCO.

MEDIA AND STATUS CODE. Leave this section blank.

STOCK NUMBER. Insert the correct National Stock Number (NSN) in card columns 8-22 of DD Form 1348M or in blocks 4 through 6 (starting in the first position of block 4) of DD Form 1348. (Paragraph 2255 describes the difference between the 11-digit Federal Stock Number formerly used and entered in this space, and the 13-digit National Stock Number.)

UNIT OF ISSUE. Insert the 2-letter MILSTRIP abbreviation for the type of unit by which the U.S. supply system counts the item being ordered. For example, "EA" (each), "CS" (case), "FT" (foot). See paragraph 2258 for additional details.

QUANTITY. Insert numeric characters to show the number of Units of Issue being ordered. Be sure to fill all five spaces in this section; use zeros (0s) as necessary in spaces to the left of significant digits to accomplish this. For example, if 5 of an item are desired, the "Quantity" entry should be "00005."

DOCUMENT NUMBER. A series of 14 numbers and letters which are unique to each requisition and never duplicated for any other requisition. The "Document Number" is subdivided into four subsections described below (and in paragraphs 2261 through 2264).

SERVICE CODE. Insert "P." This indicates that the U.S. Navy has been assigned responsibility for this FMS case within the U.S. Department of Defense.

SAMPLE DD FORM 1348

FMS REQUISITION FOR
STANDARD STOCK MATERIAL
(MANUAL FORMAT)

DD FORM 1348 (NAVY)

1: LOCATION (CARD COLUMNS) DD FORM 1348M

2: IDENTIFICATION & FMS CUSTOMER INPUT

3: LOCATION (BLOCK) DD FORM 1348

4, 5, & 6: STOCK NUMBER

7: UNIT OF ISSUE

8: QUANTITY

9-12: DOCUMENT NUMBER

FIGURE 2-10(2)
Requisition Information Elements;
Standard Stock

MER
LOCATION
(BLOCK)
DD FORM 1348

SAMPLE DD FORM 1348

FMS REQUISITION FOR
STANDARD STOCK MATERIAL
(MANUAL FORMAT)

shown in Appendix 20 of
ual, NAVSUP publication

the MAPAD) in the *third*
ation within the customer

elivery Term Code" in item
ce of this subsection.

as the "Type of Assistance
B, in the fifth space of this

ed for transmission. In the
ssmission, enter the date of
ogistics system.

h day will begin with 0001
eries serial numbers may be
However, in no event will
ted with the same date. Do
ary in spaces to the left of

istance (T/A)" shown in the
orm 1513 is other than T/A
T/A "V," insert "R" in the
ess otherwise directed by

o receive the material being
aterial. Insert "D" if the Air

der Code, respectively. See
nation.

ase identifier shown in Item
the last three spaces of this

10
(First two
spaces)

10
(Third
space)

10
(Fourth
space)

10
(Fifth
space)

11

12

13

14

15
(First two
spaces)

15
(Last three
spaces)

16

DD FORM 1348 (6-71)

10 (First two spaces)

10 (Third space)

10 (Fourth space)

10 (Fifth space)

11

12

13

14

15 (First two spaces)

15 (Last three spaces)

16

FIGURE 2-10(2)
Requisition Information Elements;
Standard Stock

LOCATION (CARD COLUMNS) DD FORM 1348M	IDENTIFICATION & FMS CUSTOMER INPUT	LOCATION (BLOCK) DD FORM 1348
---	--	-------------------------------------

SAMPLE DD FORM 1348M

FMS REQUISITION FOR
STANDARD STOCK MATERIAL
(MECHANIZED FORMAT)

DD FORM 1348M (MECHANIZED FORMAT)

REQUISITION SYSTEM DOCUMENT (MECHANICAL)

DD FORM 1348M (NAVY)

31-35

REQUISITIONER.

31-32

Enter the two-letter MILSTRIP country code (as shown in Appendix 20 of the MILSTRIP/MILSTRAP Operating Procedures Manual, NAVSUP publication 437) in the *first two spaces* of this subsection

33

Enter the "Mark For (M/F)" code (as shown in the MAPAD) in the *third space* of this subsection. *If consignment to a destination within the customer country is not desired, enter "Q" in this space.*

34

Enter the same numeric digit shown as the "Delivery Term Code" in item 20 of the FMS case, DD Form 1513, in the *fourth space* of this subsection.

35

Enter the same numeric digit or letter shown as the "Type of Assistance (T/A)" in item 27 of the FMS case, DD Form 1513, in the *fifth space* of this subsection.

36-39

DATE. Enter Julian date the requisition was released for transmission. In the event of delays known to be imposed prior to transmission, enter the date of planned or anticipated transmission into the service logistics system.

40-43

SERIAL NUMBER. The serial number assigned each day will begin with 0001 and continue consecutively through 4999. Other series serial numbers may be authorized by NAVILCO on a case by case basis. However, in no event will duplicate numbers be assigned to requisitions initiated with the same date. Do not leave any spaces blank; use zeros (0s) as necessary in spaces to the left of significant digits.

44

DEMAND CODE. Insert "N" if the "Type of Assistance (T/A)" shown in the "Terms" section of the applicable FMS case, DD Form 1513 is other than T/A "V." If the T/A entry in the applicable FMS case is T/A "V," insert "R" in the "Demand Code" space on the requisition unless otherwise directed by NAVILCO.

45-50

SUPPLEMENTARY ADDRESS CODE.

45

Insert "P" if the Navy of the customer country is to receive the material being ordered. Insert "B" if the Army is to receive the material. Insert "D" if the Air Force is to receive the material.

46, 47

Enter an Offer Release Code and Freight Forwarder Code, respectively. See paragraph 2269 and Figure 2-18 for additional information.

48-50

Enter the 3-letter FMS case designator of the case identifier shown in Item 3 of the applicable FMS case, DD Form 1513, in the last three spaces of this section.

51

SIGNAL CODE. Insert "L" in this space.

SAMPLE DD FORM 1348

FMS REQUISITION FOR
STANDARD STOCK MATERIAL
(MANUAL FORMAT)

10
(First two spaces)

10
(Third space)

10
(Fourth space)

10
(Fifth space)

11

12

13

14

15
(First two spaces)

15
(Last three spaces)

16

DD FORM 1348 (MANUAL FORMAT)

REQUISITION SYSTEM DOCUMENT (MANUAL)

DD FORM 1348 (NAVY)

**LOCATION
(BLOCK)
DD FORM 1348**

FMS REQUISITION FOR STANDARD STOCK MATERIAL (MANUAL FORMAT)

3-10A(3)

FIGURE 2-10(3)
Requisition Information Elements;
Standard Stock

SAMPLE DD FORM 1348M

FMS REQUISITION FOR
STANDARD STOCK MATERIAL
(MECHANIZED CARD FORMAT)

DD FORM 1348M 1 JAN 64 (NAVY)

REQUISITION SYSTEM DOCUMENT (MECHANICAL)

REQUISITION NUMBER: 15 2B

STOCK NUMBER: 0000450

QUANTITY: 1

UNIT: 1

PRICE: 0000450

ADDITIONAL INFORMATION: 1A 15 2B

LOCATION
(CARD COLUMNS)
DD FORM 1348M

IDENTIFICATION & FMS CUSTOMER
INPUT

LOCATION
(BLOCK)
DD FORM 1348

52, 53

FUND CODE. Leave these spaces blank.

54-56

DISTRIBUTION CODE.

54

Leave this space blank.

55, 56

Insert stores account and inventory management category ("Cog symbol") as shown in the Management List - Navy (ML-N) in the last two spaces of this section.

57-59

PROJECT CODE May be left blank or used at the discretion of the customer country. See paragraph 2273 for additional details.

60, 61

PRIORITY. Enter proper 2-digit Priority Number as derived by the F/AD assigned to the customer, and the applicable UND.

62-64

REQUIRED DELIVERY DATE. This field will be left blank except in those instances when UMMIPS time frames are not applicable. When authorized, entries will be made.

65, 66

ADVICE CODE. May be left blank. If desired, an entry from the list in Figure 2 - 19 at the end of this chapter, may be inserted.

74-80

PRICE. Enter item unit price in U.S. dollars and cents. Fill spaces to the left of significant digits with zeros as necessary to be sure all 7 spaces are filled.

SAMPLE DD FORM 1348

FMS REQUISITION FOR
STANDARD STOCK MATERIAL
(MANUAL FORMAT)

DD FORM 1348 (1-64) (NAVY)

REQUISITION SYSTEM DOCUMENT (MANUAL)

REQUISITION NUMBER: 15 2B

STOCK NUMBER: 0000450

QUANTITY: 1

UNIT: 1

PRICE: 0000450

ADDITIONAL INFORMATION: 1A 15 2B

17

18
(First space)

18
(Last two spaces)

19

20

21

22

23
(last seven spaces)

3-10A(3)

FIGURE 2-11
Sample Requisition Document,
DD Form 1348-6
Non-Standard Material

**LOCATION
(SPACE)**

**IDENTIFICATION AND FMS CUSTOMER
INPUT**

36-39

DATE. Enter Julian date the requisition was received for transmission. In the event of delays known to be imposed prior to transmission, enter the date of planned or anticipated transmission into the service logistics system.

40-43

SERIAL NUMBER. The serial number assigned each day will begin with 0001 and continue consecutively through 4999. Other series serial numbers may be authorized by NAVILCO on a case by case basis. However, in no event will duplicate numbers be assigned to requisitions initiated with the same date. Do not leave any spaces blank; use zeros (0s) as necessary in spaces to the left of significant digits.

44

DEMAND CODE. Insert "N" if the "Type of Assistance (T/A)" shown in the "Terms" section of the applicable FMS case, DD Form 1513 is other than T/A "V". If the T/A entry in the applicable FMS case is T/A "V", insert "R" in the "Demand Code" space on the requisition unless otherwise directed by NAVILCO.

45-50

SUPPLEMENTARY ADDRESS CODE.

45

Insert "P" if the Navy of the customer country is to receive the material being ordered. Insert "B" if the Army is to receive the material. Insert "D" if the Air Force is to receive the material.

46, 47

Enter an Offer Release Code and Freight Forwarder Code, respectively. See paragraph 2269 and Figure 2-18 for additional information.

48-50

Enter the 3-letter FMS case designator shown in Item 3 of the applicable FMS case, DD Form 1513, in the last three spaces of this section.

51

SIGNAL CODE. Insert "L" in this space.

52, 53

FUND CODE. Leave these spaces blank.

54-56

DISTRIBUTION CODE.

54

Leave this space blank.

55, 56

If ships parts are being ordered, insert "1H" in the last 2 spaces; if aircraft parts, insert "1R"; if electronic parts, insert "1N"; if training devices, insert "20" (not "20"); if publications are being ordered, insert "01" (not "01").

57-59

PROJECT CODE. Unless otherwise authorized by NAVILCO, the customer will leave the project code blank. See paragraph 2274 for additional detail.

60, 61

PRIORITY. Enter proper 2-digit Priority Number as derived by the F/AD assigned to the customer, and the applicable UND.

62-64

REQUIRED DELIVERY DATE. This field will be left blank except in those instances when UMMIPS time frames are not applicable. When authorized, entries will be made.

65, 66

ADVICE CODE. May be left blank. If desired, an entry from the list in Table 3-3, at the end of this chapter, may be inserted.

74-80

PRICE. Enter item unit price in U.S. dollars and cents. Fill spaces to the left of significant digits with zeros as necessary to be sure all 7 spaces are filled.

FIGURE 2-11
Sample Requisition Document,
DD Form 1348-6
Non-Standard Material

IDENTIFICATION & FMS CUSTOMER
INPUT

LOCATION
(SPACE)

DOCUMENT IDENTIFIER. Insert "A05"

ROUTING IDENTIFIER. Insert "N65" which will route the requisition to NAVILCO.

MEDIA AND STATUS CODE. Leave these spaces blank.

MANUFACTURER'S CODE AND PART NUMBER. Insert the 5-digit manufacturer's *Federal Supply Code for Manufacturers* in the "FSCM" position (first 5 spaces) of this section. Insert the manufacturer's part number in the "Part Number" (last 10 spaces) of this section. Use block 1 in the "Identification Data" section of the form if there is insufficient room in spaces 8-22. See paragraph 2257 for additional details.

UNIT OF ISSUE. Insert the 2-letter MILSTRIP abbreviation for the type of unit by which the U.S. supply system counts the item being ordered. For example, "EA" (each), "CS" (case), "FT" (foot). See paragraph 2258 for additional details.

QUANTITY. Insert numeric characters to show the number of Units of Issue being ordered. Be sure to fill all five spaces in this section; use zeros (0s) as necessary in spaces to the left of significant digits to accomplish this. For example, if 5 of an item are desired, the "Quantity" entry should be "00005."

DOCUMENT NUMBER. A series of 14 numbers and letters which are unique to each requisition and never duplicated for any other requisition. The "Document Number" is subdivided into four subsections described below (and in paragraphs 2261 through 2264).

SERVICE CODE. Insert "P." This indicates that the U.S. Navy has been assigned responsibility for this FMS case within the U.S. Department of Defense.

REQUISITIONER.

Enter the two-letter MILSTRIP country code (as shown in Appendix 20 of the MILSTRIP/MILSTRAP Operating Procedures Manual, NAVSUP publication 437) in the *first two spaces* of this subsection.

Enter the "Mark For (M/F)" code (as shown in the MAPAD) in the *third space* of this subsection. *If consignment to a destination within the customer country is not desired*, enter "O" in this space.

Enter the same numeric digit shown as the "Delivery Term Code" in Item 20 of the FMS case, DD Form 1513, in the *fourth space* of this subsection.

Enter the same numeric digit or letter shown as the "Type of Assistance (T/A)" in Item 27 of the FMS case, DD Form 1513, in the *fifth space* of this subsection.

The diagram shows the layout of DD Form 1348-6 with callouts for various fields and their corresponding space numbers. The form is divided into several sections: Identification Data, Identification Data, and Identification Data. The callouts are as follows:

- 1-3: DOCUMENT IDENTIFIER
- 4-6: ROUTING IDENTIFIER
- 7: MEDIA AND STATUS CODE
- 8-22: MANUFACTURER'S CODE AND PART NUMBER
- 23, 24: UNIT OF ISSUE
- 25-29: QUANTITY
- 30-43: DOCUMENT NUMBER
- 30: SERVICE CODE
- 31-35: REQUISITIONER
- 31-32: MILSTRIP country code
- 33: Mark For (M/F) code
- 34: Delivery Term Code
- 35: Type of Assistance (T/A)
- 36-39: DATE
- 40-43: SERIAL NUMBER
- 44: DEMAND CODE
- 45-50: SUPPLEMENTARY ADDRESS CODE
- 45: Insert "P" if the Navy of the customer country is to receive the material being ordered. Insert "B" if the Army is to receive the material. Insert "D" if the Air Force is to receive the material.
- 46, 47: Offer Release Code and Freight Forwarder Code
- 48-50: FMS case designator
- 51: SIGNAL CODE
- 52, 53: FUND CODE
- 54-56: DISTRIBUTION CODE
- 54: Leave this space blank.
- 55, 56: If ships parts are being ordered, insert "1H" in the last 2 spaces; if aircraft parts, insert "1R"; if electronic parts, insert "1N"; if training devices, insert "20" (not "200"); if publications are being ordered, insert "01" (not "01").
- 57-59: PROJECT CODE
- 60, 61: PRIORITY
- 62-64: REQUIRED DELIVERY DATE
- 65, 66: ADVICE CODE
- 74-80: PRICE

LOCATION
(SPACE)

IDENTIFICATION AND FMS CUSTOMER
INPUT

DATE. Enter Julian date the requisition was received for transmission. In the event of delays known to be imposed prior to transmission, enter the date of planned or anticipated transmission into the service logistics system.

SERIAL NUMBER. The serial number assigned each day will begin with 0001 and continue consecutively through 4999. Other series serial numbers may be authorized by NAVILCO on a case by case basis. However, in no event will duplicate numbers be assigned to requisitions initiated with the same date. Do not leave any spaces blank; use zeros (0s) as necessary in spaces to the left of significant digits.

DEMAND CODE. Insert "N" if the "Type of Assistance (T/A)" shown in the "Terms" section of the applicable FMS case, DD Form 1513 is other than T/A "V". If the T/A entry in the applicable FMS case is T/A "V", insert "R" in the "Demand Code" space on the requisition unless otherwise directed by NAVILCO.

SUPPLEMENTARY ADDRESS CODE.

Insert "P" if the Navy of the customer country is to receive the material being ordered. Insert "B" if the Army is to receive the material. Insert "D" if the Air Force is to receive the material.

Enter an Offer Release Code and Freight Forwarder Code, respectively. See paragraph 2269 and Figure 2-18 for additional information.

Enter the 3-letter FMS case designator shown in Item 3 of the applicable FMS case, DD Form 1513, in the last three spaces of this section.

SIGNAL CODE. Insert "L" in this space.

FUND CODE. Leave these spaces blank.

DISTRIBUTION CODE.

Leave this space blank.

If ships parts are being ordered, insert "1H" in the last 2 spaces; if aircraft parts, insert "1R"; if electronic parts, insert "1N"; if training devices, insert "20" (not "200"); if publications are being ordered, insert "01" (not "01").

PROJECT CODE. Unless otherwise authorized by NAVILCO, the customer will leave the project code blank. See paragraph 2274 for additional detail.

PRIORITY. Enter proper 2-digit Priority Number as derived by the F/AD assigned to the customer, and the applicable UND.

REQUIRED DELIVERY DATE. This field will be left blank except in those instances when UMMIPS time frames are not applicable. When authorized, entries will be made.

ADVICE CODE. May be left blank. If desired, an entry from the list in Table 3-3, at the end of this chapter, may be inserted.

PRICE. Enter item unit price in U.S. dollars and cents. Fill spaces to the left of significant digits with zeros as necessary to be sure all 7 spaces are filled.

FIGURE 2-11(2)
Sample Requisition Document,
DD Form 1348-6,
Non-Standard Material

LOCATION
(SPACE)

IDENTIFICATION AND FMS CUSTOMER
INPUT

Block
2

MANUFACTURER'S NAME. Enter the name *and address* (if known) of the commercial supplier who manufactures *the item being requisitioned*. (CAUTION: The manufacturer of the item being requisitioned may not be the same as the manufacturer of the equipment in which the item is used.)

Block
5

TECHNICAL MANUAL NUMBER. Enter the identifying number of the technical or operating publication which describes the item being ordered. These manuals may be published by the U.S. Government or they may be published by the commercial supplier of the item. In most instances, the publication will be identified to the parent equipment of the item being ordered, rather than the item itself. For example, NAVSEA B-6619337 shown in block 5 is the technical manual for the Class AF62 air compressor, rather than for the piston assembly being ordered.

Block
6

NAME OF ITEM REQUESTED. Enter the name of the item being ordered.

Block
8

END ITEM APPLICATION AND SOURCE OF SUPPLY. Enter identifying information concerning the next higher assembly and parent equipment of which the item being ordered is a part. Entries in Blocks 8, 8a., 8b., 8c., and 8d. all refer to the parent equipment rather than the item being ordered.

SAMPLE REQUISITION DOCUMENT
DD FORM 1348-6

NON STANDARD MATERIAL

S/N O 102-LF-013.2771																																																				
DOCUMENT IDENTIFIER		ROUTING IDENTIFIER		M & S		MANUFACTURER'S CODE AND PART NUMBER ★																		UNIT OF ISSUE		QUANTITY								DOCUMENT NUMBER																		
						PSCM						PART NUMBER																						SERV	REQUISITIONER				DATE				SERIAL									
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43										
A	0	5	N	6	5		9	8	6	3	2	4	3	1	0	4	4	8				E	A	0	0	0	0	4	P	L	T	0	4	4	2	1	8	4	2	2	4	2										
DEMAND SERV		SUPPLEMENTARY ADDRESS				SIGNAL		FUND CODE		DISTRIBUTION CODE		PROJECT CODE		PRIORITY		RE-DELIVERY DATE		ADVICE CODE		BLANK								REJECT CODE (FOR USE BY SUPPLY SOURCE ONLY)																								
44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	GS	66														
N	P	A	5	U	P	A	L					1	H				0	8			2	D									0	0	4	0	1	0	3															
IDENTIFICATION DATA																																																				
★ 1. MANUFACTURER'S CODE & PART NO. (When they exceed Card Columns 8 thru 22)																						2. MANUFACTURER'S NAME Lavalie Industries, 232E Griffith Ave., Dep't "J", Caldwell, New Jersey																														
3. MANUFACTURER'S CATALOG IDENTIFICATION AND DATE																													4. TECHNICAL ORDER NUMBER																							
5. TECHNICAL MANUAL NUMBER NAVSEA B-6619337																						6. NAME OF ITEM REQUESTED Piston Assembly, P/N 4310448																														
7. DESCRIPTION OF ITEM REQUESTED																														7a. COLOR																						
																														7b. SIZE																						
8. END ITEM APPLICATION AND SOURCE OF SUPPLY For first stage of P/N 83848 on Class AF62 Air Compressor																																																				
8a. MAKE Worthington															8b. MODEL NUMBER 27J 1668-2										8c. SERIES 11										8d. SERIAL NUMBER 9218334																	
9. REMARKS																																																				

FORM DD MAR 74 1348-6

EDITION OF 1 JAN 71 MAY BE USED UNTIL EXHAUSTED

NON-NSN REQUISITION (MANUAL)

IDENTIFICATION AND FMS CUSTOMER INPUT

MANUFACTURER'S NAME. Enter the name *and address* (if known) of the commercial supplier who manufactures *the item being requisitioned*. (CAUTION: The manufacturer of the item being requisitioned may not be the same as the manufacturer of the equipment in which the item is used.)

TECHNICAL MANUAL NUMBER. Enter the identifying number of the technical or operating publication which describes the item being ordered. These manuals may be published by the U.S. Government or they may be published by the commercial supplier of the item. In most instances, the publication will be identified to the parent equipment of the item being ordered, rather than the item itself. For example, NAVSEA B-6619337 shown in block 5 is the technical manual for the Class AF62 air compressor, rather than for the piston assembly being ordered.

NAME OF ITEM REQUESTED. Enter the name of the item being ordered.

END ITEM APPLICATION AND SOURCE OF SUPPLY. Enter identifying information concerning the next higher assembly and parent equipment of which the item being ordered is a part. Entries in Blocks 8, 8a., 8b., 8c., and 8d. all refer to the parent equipment rather than the item being ordered.

FIGURE 2-12
S Requisition for Standard Stock,
MILSTRIP Message Format

DD FORM 1348 (6-PT)
1 AUG 61

QUANTITY
A 0 0 0 2 5

09 70 71 72 73 74 75 76 77 78 79 80

NOTE THAT MILSTRIP MESSAGE
FORMAT REQUIRES THAT THE
FIRST LINE OF THE MESSAGE
REQUISITION EXTEND THROUGH
THE "SIGNAL CODE" INFORMATION
ELEMENT, CORRESPONDING TO
BLOCK 16 IN THE DD FORM 1348

XXX UNCLASSIFIED XXX

NAVAL MESSAGENAVY DEPARTMENT

FROM: LATONIA

TO: NAVILCO, PHILADELPHIA, PA

MILSTRIP REQUISITION
N65/10051

A01/N65/BLNK/1005001752087/EA/00025/PLT04313601005/N/PA2XYZ/L/
BLNK/1A/BLNK/15/BLNK/2B/000000450

XXX UNCLASSIFIED XXX

MILSTRIP MESSAGE FORMAT

**NOTE THAT MILSTRIP MESSAGE
FORMAT REQUIRES THAT THE
FIRST LINE OF THE MESSAGE
REQUISITION EXTEND THROUGH
THE "SIGNAL CODE" INFORMATION
ELEMENT, CORRESPONDING TO
BLOCK 16 IN THE DD FORM 1348**

NOTE THAT THE LETTERS "BLNK" (WHICH STAND FOR THE WORD "BLANK") MUST BE ENTERED IN THE MESSAGE FORMAT WHEREVER THERE IS NO ENTRY IN THE INFORMATION ELEMENT FIELD OF THE DD FORM 1348. IN "MEDIA & STATUS," "FUND," THIS ILLUSTRATION, "BLNK" APPEARS WHERE "PROJECT" AND "REQ. DEL. DATE" WOULD APPEAR IN THE DD FORM 1348, BLOCKS 3, 17, FIRST SPACE OF 18, 19, AND 21.

2233

MESSAGE REQUISITION (NON-STANDARD MATERIAL)

Figure 2-13 provides a similar example of how the sample requisition for non-standard material previously shown in Figure 2-11 would appear in message form. The key difference for non-standard material is inclusion in the message of the identifying information normally provided in the "Identification Data" section of DD Form 1348-6.

2240

TRANSMISSION OF REQUISITIONS TO NAVILCO

Section A of this chapter stated that requisitions could be transmitted to NAVILCO in three different ways:

- . AUTODIN for requisition DD Form 1348M for standard stock items
- . MAIL for requisition DD Form 1348M and DD Form 1348 for standard stock items, or DD Form 1348-6 only for non-standard items
- . MESSAGE using MILSTRIP format and an electrical transmission method other than AUTODIN, for most urgent requirements.

Figure 2-14 repeats the information of Figure 2-9 showing the proper requisition form to use. Figure 2-14 also adds information showing how each of the different requisition forms should be transmitted to NAVILCO.

2250

DESCRIPTION OF MILSTRIP INFORMATION ELEMENTS FOR FMS REQUISITIONS

Figures 2-10 through 2-13 identified the various information elements which are needed to complete a MILSTRIP requisition for FMS material. These figures also showed the location in which each of the information elements is placed on DD Form 1348M, DD Form 1348, DD Form 1348-6, and in a message requisition in MILSTRIP format. Paragraphs 2251 through 2278, below, describe each MILSTRIP information element more fully. They also specify the location of each element on the requisition form and emphasize particular details which must be observed carefully in preparing FMS requisitions.

FIGURE 2-13
FMS Requisition
for Non-Standard Material,
MILSTRIP Message Format

FIRST LINE OF MILSTRIP
MESSAGE REQUISITION
EXTENDS THROUGH THE
"SIGNAL CODE" INFORMATION
ELEMENT

XXX UNCLASSIFIED XXX							
NAVAL MESSAGE		NAVY DEPARTMENT					
FROM: LATONIA							
TO: NAVILCO, BAYONNE, N.J. CODE 41							
MILSTRIP REQUISITION							
A05/N65/BLNK/986324310448/EA/00004/PLT04421842242/N/PA5UPA/L/ BLNK/1H/BLNK/08/BLNK/2D/BLNK/00000040103 PISTON ASSEMBLY, PART NUMBER 4310448, MANUFACTURED BY LAVALIE INDUSTRIES, 2328 GRIFFITH AVE. DEPT. "J", CALDWELL, NEW JERSEY FOR FIRST STAGE OF PART NUMBER 83848 ON CLASS AF 62 AIR COMPRESSOR, WORTHINGTON MODEL 27J1668-2, SERIES 11, SERIAL NUMBER 9218334							
<table border="1"> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </table>							
XXX UNCLASSIFIED XXX							

MILSTRIP MESSAGE FORMAT

FIGURE 2-13
FMS Requisition
for Non-Standard Material,
MILSTRIP Message Format

DOCUMENT IDENTIFIER		ROUTING IDENTIFIER		M & S		MANUFACTURER'S CODE AND PART NUMBER																UNIT OF ISSUE		QUANTITY		DOCUMENT NUMBER																										
1 2 3 4 5 6		7 8		9 10		11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43																30 31		32 33		34 35 36 37 38 39 40 41 42 43																										
A05N65		11		98		6324310448																EA		00004		PLT04421842242																										
DEMAND		SUPPLEMENTARY ADDRESS		FUND CODE		DISTRIBUTION CODE		PROJECT CODE		PRIORITY		RE-REQUIRED DELIVERY DATE		BLANK		REJECT CODE (FOR USE BY SUPPLY SOURCE ONLY)		GS		66																																
NPA5UPA		1H		08		2D		00000040103																																												
IDENTIFICATION DATA																																																				
1. MANUFACTURER'S CODE & PART NO. (When they exceed Card Columns thru 22)																							2. MANUFACTURER'S NAME Lavalie Industries, 2328 Griffith Ave., Dept "J", Caldwell, New Jersey																													
3. MANUFACTURER'S CATALOG IDENTIFICATION AND DATE																							4. TECHNICAL ORDER NUMBER																													
5. TECHNICAL MANUAL NUMBER NAVSHIPS 8-6619387																							6. NAME OF ITEM REQUESTED Piston Assembly, P/N 4310448																													
7. DESCRIPTION OF ITEM REQUESTED																							7a. COLOR																													
																							7b. SIZE																													
8. END ITEM APPLICATION AND SOURCE OF SUPPLY For first stage of P/N 83848 on Class AF62 Air Compressor																																																				
9a. MAKE Worthington																							9b. MODEL NUMBER 27J1668-2										9c. SERIES 11										9d. SERIAL NUMBER 9218334									
9. REMARKS																																																				
DD FORM 1348-6 EDITION OF JAN 71 MAY BE USED UNTIL EXHAUSTED NON-NSN REQUISITION (MANUAL)																																																				

DD FORM 1348-6

"BLNK" INCLUDED IN MESSAGE FORMAT WHEREVER THERE IS NO ENTRY IN THE INFORMATION ELEMENT FIELD OF DD FORM 1348-6

FIRST LINE OF MILSTRIP MESSAGE REQUISITION EXTENDS THROUGH THE "SIGNAL CODE" INFORMATION ELEMENT

XXX UNCLASSIFIED XXX	
NAVAL MESSAGE	NAVY DEPARTMENT
FROM: LATONIA	
TO: NAVILCO, BAYONNE, N.J. CODE 41	
MILSTRIP REQUISITION	
A05/N65/BLNK/986324310448/EA/00004/PLT04421842242/N/PA5UPA/L/ BLNK/1H/BLNK/08/BLNK/2D/BLNK/00000040103	
PISTON ASSEMBLY, PART NUMBER 4310448, MANUFACTURED BY LAVALIE INDUSTRIES, 2328 GRIFFITH AVE. DEPT. "J", CALDWELL, NEW JERSEY FOR FIRST STAGE OF PART NUMBER 83848 ON CLASS AF 62 AIR COMPRESSOR, WORTHINGTON MODEL 27J1668-2, SERIES 11, SERIAL NUMBER 9218334	
XXX UNCLASSIFIED XXX	

MILSTRIP MESSAGE FORMAT

FIGURE 2-14
Table for Determining Which Requisition
Form and Transmission Form to Use

If customer country activity preparing the requisition for transmission to NAVILCO . . .

	HAS capability to prepare key-punched cards, and . . .		Does NOT have capability to prepare key-punched cards, and . . .	
	Material is STANDARD	Material is NON-STANDARD	Material is STANDARD	Material is NON-STANDARD
	↓	↓	↓	↓
Prepare Requisition Using . . .	MECHAN- IZED CARD DD Form 1348-M	MANUAL FORM DD Form 1348-6	MANUAL CARD DD Form 1348	MANUAL FORM DD Form 1348-6
And submit (original copy only) to NAVILCO using . . .	AUTODIN or Mail	Mail	Mail	Mail

NOTE: Requisitions for most urgently needed material (i.e., bearing Urgency of Need designator and UND-"A") may be transmitted to NAVILCO via message.

2251

DOCUMENT
IDENTIFIER

Document Identifier (card columns 1 through 3 on DD Form 1348M; block 1 on DD Form 1348). Entries in these spaces identify what the document is being used to accomplish. The characters "AØ1" indicate that the document is a requisition for an NSN and that there is no information contained in the "Remarks" section of the document. The characters "AØ5" indicate that the document is a requisition and that information is included in the "Remarks" section of the document. Be sure that a numeric zero (Ø), rather than an alphabetic "O" (O), is entered as the second character of the "Document Identifier."

2252

ROUTING
IDENTIFIER

Routing Identifier (card columns 4 through 6 on DD Form 1348M; block 2 on DD Form 1348). Entries in these spaces indicate to which activity in the United States the document is being sent. "N65" is NAVILCO's routing identifier coding, and should always be used on requisitions originated by the customer country.

2253

MEDIA AND
STATUS CODE

Media and Status Code (card column 7 on DD Form 1348M; block 3 on DD Form 1348). Entries in this space indicate which U.S. activity should receive status information from other activities in the U.S. supply system. This space will always be left blank.

2254

STOCK
NUMBER

Stock Number (card columns 8 through 22 on DD Form 1348M; blocks 4, 5, and 6 on DD Form 1348). Each of the many hundreds of thousands of "standard" items in the U.S. supply system is assigned a unique stock number. Use of the stock number permits precise identification of a particular item in a very abbreviated format, avoiding the need for a lengthy narrative description.

Stock numbers consist of 13 characters which are entered in these spaces. Except for publications and forms, all

2254

(Continued)

13 characters are digits and the stock number is called a National Stock Number (NSN). Stock numbers for publications and forms also contain 13 characters, but two of the characters are letters rather than digits. Therefore, the stock numbers for publications and forms are not NSNs, although they are entered in the "Stock Number" section of MILSTRIP documents.

When written, typed, or printed in documents other than data processing punched cards, hyphens (-) will usually be inserted between the fourth and fifth digits, between the sixth and seventh digits, and between the ninth and tenth digits of the NSN. Thus, an NSN which would appear in a MILSTRIP document as:

5905004103897

would appear in the Management List - Navy (ML-N) as:

5905-00-410-3897

2255

NATIONAL STOCK
NUMBERS (NSNs),
AND FEDERAL STOCK
NUMBERS (FSNs);
CONVERSION FROM
FSN TO NSN

Prior to 1 October 1974, the stock number for each standard item in the U.S. supply system consisted of an 11-digit Federal Stock Number (FSN). On 1 October 1974, all FSNs were converted to 13-digit National Stock Numbers (NSNs). Use of the NSN is now required in order for MILSTRIP documents to be processed properly. FSNs were converted to NSNs by inserting two numeric zeros (00) following the fourth digit of the FSN. Figure 2-15 illustrates this conversion.

All FSNs which were converted to NSNs, and all NSNs newly assigned within the U.S. supply system until 31 March 1975, contain 00 as the fifth and sixth digits of the stock number. All NSNs newly assigned in the U.S. supply system after 31 March 1975 contain 01 as the fifth and sixth digits of the stock number.

2255

(Continued)

The latest catalogs and technical documentation furnished by the U.S. Navy will show NSNs, rather than FSNs. Therefore, it is recommended that FMS customers consult these references rather than attempt to convert their records from FSNs to NSNs by insertion of 00 between the fourth and fifth digits of the FSN.

2256

CONVERSION OF
STOCK NUMBERS
FOR PUBLICATIONS
AND FORMS

The stock numbers of publications and forms were converted from 11-character to 13-character numbers by insertion of the alphabetic characters "LP" or "LF" between the fourth and fifth digits of the 11-character number (i.e., in the fifth and sixth positions of the "Stock Number" section of MILSTRIP documents).

The letters "LP" were inserted in stock numbers for publications, and the letters "LF" were inserted in the stock numbers for forms. The U.S. Navy Stock List of Publications and Forms, NAVSUP Publication 2002, provides the 13-character stock number for each U.S. Navy publication and form.

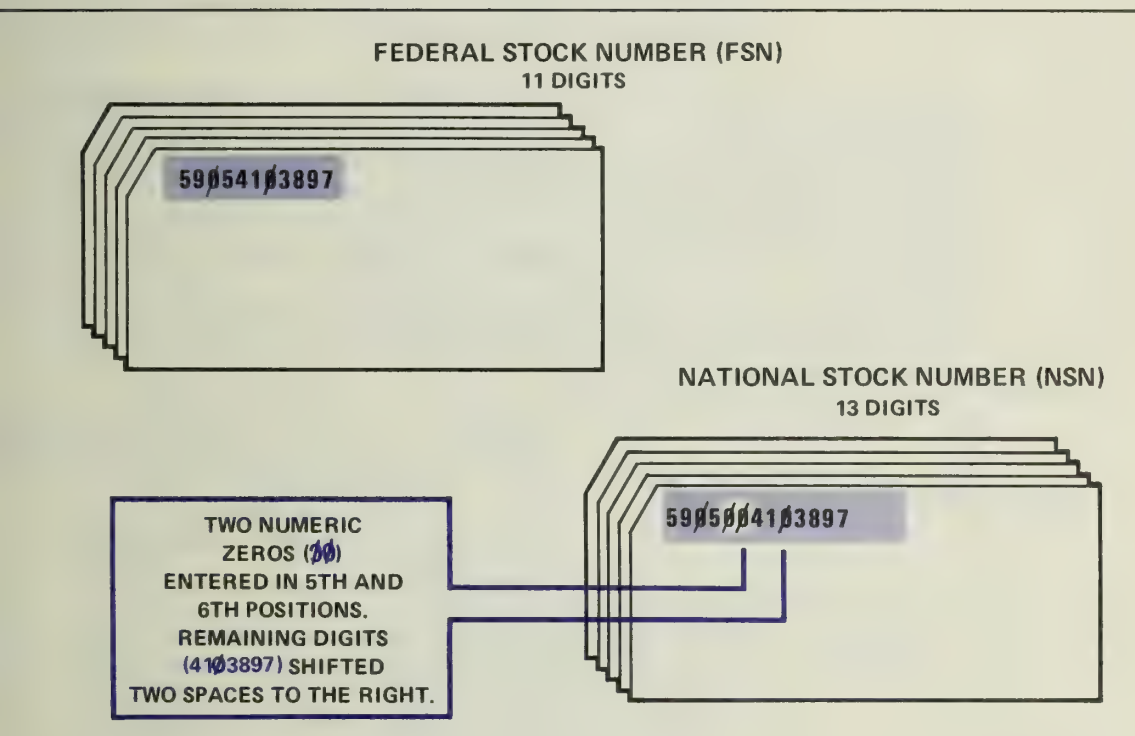
2257

USE OF "STOCK
NUMBER" SECTION
WHEN ORDERING
NON-STANDARD
MATERIAL

If the item being order is non-standard (i.e., it has no FSN to be converted to an NSN), or if the NSN/FSN of the item is unknown, the "Stock Number" section of the requisition form is used to show other identifying information. The identifying information should be that which best describes the item being ordered. Because the "Stock Number" section is limited in size, additional identifying data for non-standard items is almost always shown in the "Remarks" section of the requisition as well.

Manufacturers usually assign a "Part Number" to each item which, when coupled with a description of the equipment in which the item is used, will permit identification of the item. In addition, most U.S. manufacturing firms

FIGURE 2-15
Conversion of a
Federal Stock Number (FSN) to a
National Stock Number (NSN)



2257

(Continued)

have been assigned a five-digit Federal Supply Code for Manufacturers (FSCM). A full listing of FSCMs is contained in the U.S. Defense Supply Agency Cataloging Handbook, Defense Supply Agency (DSA) Publication H-4. Positive and precise identification of the item is almost always possible if the information listed below is shown in the "Stock Number" and "Remarks" sections of the requisition.

- . Manufacturer's FSCM Number
- . Manufacturer's part number for the item
- . Name of the item
- . Name of the manufacturer of the item
- . Name (or short description) of the parent equipment in which the item is used
- . Manufacturer of the parent equipment.

Additional identifying or descriptive information, such as manufacturer's drawing number, use for which the item (or parent equipment) is intended, technical manual figure and index from illustrated Parts Breakdown (IPB), etc., should also be included in the "Remarks" section of the requisition if the information is available. Figure 2-16 is an example of how this identifying information would be shown in a DD Form 1348-6.

2258

UNIT OF ISSUE

Unit of Issue (card columns 23 and 24 in DD Form 1348M; block 7 in DD Form 1348). This entry is a two-letter abbreviation which identifies the kind of unit by which the quantity of the item being ordered is counted or measured for the purpose of keeping records, making issues from stock, etc. Examples of some common units of issue and their MILSTRIP abbreviations are:

**MANUFACTURER
OF THE
ITEM BEING
ORDERED**

NAME OF THE ITEM BEING ORDERED

2258

(Continued)

- . "Each" (abbreviated "EA")
- . "Case" (abbreviated "CS")
- . "Pad" (abbreviated "PD")
- . "Reel" (abbreviated "RL")
- . "Foot" (abbreviated "FT").

The Navy catalog (Management List - Navy or "ML-N," NAVSUP Publication 4100) shows the proper Unit of Issue abbreviation for use when requisitioning each of the many thousands of U.S. Navy standard stock items listed in the ML-N. A complete listing of authorized Units of Issue, their definitions, and their MILSTRIP abbreviations is given in Chapter 2 of the Introduction to Federal Supply Catalogs and Related Publications, NAVSUP Publication 4000. This publication should be used to determine the appropriate Unit of Issue abbreviation if doubt exists when non-standard items are being ordered.

2259

QUANTITY

Quantity (card columns 25 through 29 on DD Form 1348M; block 8 on DD Form 1348). Numeric entries in these spaces show how many Units of Issue of the item are being ordered. Because the "Quantity" entry is directly associated with the "Unit of Issue" entry, the two must be read together to gain a clear idea of how much of the item is actually being requisitioned. For example, a quantity of "00006" coupled with a unit of issue of "DZ" (dozen) would be equivalent to a quantity of "00072" coupled with a unit of issue of "EA" (each). Thus, it is extremely important to use the proper unit of issue applicable to the item being ordered and to be sure that the "Quantity" entry shows the number of those units of issue which is desired.

MILSTRIP rules also require that all five-card columns or spaces in the "Quantity" section contain a numeric digit (i.e., no space is left blank). Therefore zeros (0s) should be inserted to the left of the first significant

2259
(Continued)

digit. For example, if six of an item are to be ordered, the "Quantity" entry should be "000006." If 600 of the item are to be ordered, the "Quantity" entry should be "006000." The maximum quantity which can be represented in the MILSTRIP format is 99,999. If a quantity larger than 99,999 is required, two or more requisitions must be submitted.

2260
DOCUMENT NUMBER

Document Number (card columns 30 through 43 on DD Form 1348M; blocks 9 through 12 on DD Form 1348). Entries in this section form the unique identification number for each individual requisition. This number should never be reused, regardless of what FMS case is involved. The "Document Number" section is subdivided into four portions, each of which is described more fully in the paragraphs which follow. These portions are:

- . Service Code
- . Requisitioner
- . Date
- . Serial Number.

2261
SERVICE CODE

Service Code (card column 30 on DD Form 1348M; block 9 on DD Form 1348). The entry in this subsection of the "Document Number" section identifies the U.S. military service (U.S. Army, Navy, or Air Force) which maintains FMS case control for the active DD Form 1513 under which the requisition is being originated. For requisitions going to NAVILCO, the letter "P" should be inserted in this space.

2262
REQUISITIONER

Requisitioner (card columns 31 through 35 on DD Form 1348M; block 10 on DD Form 1348). The five-character entry in this section identifies:

- . The customer country which originates the requisition. Enter the proper two-letter country code as shown in Appendix 20 of the MILSTRIP/MILSTRAP Operating Procedures

(Continued)

Manual, NAVSUP Publication 437. This entry should be made in the first two spaces (card columns 31 and 32) of the "Requisitioner" subsection.

- . The destination within the customer country. Enter the proper "Mark For" (M/F) code as shown in Section B of the Military Assistance Program Address Directory (MAPAD), DOD publication 5105.38D. If consignment to a destination within the customer country is not desired, enter a numeric "Ø" in this space. These entries should be made in the third space (card column 33) of the "Requisitioner" subsection.

NOTE: The "Mark For" code cited on the applicable DD Form 1513 will normally apply. Exceptions to the "Mark For" cited will be made at the Customer Countries' discretion. After a requisition has been entered into the supply system, the "Mark For" code cannot be changed.

- . The "Delivery Term Code" indicating the terms of delivery to the customer country. Enter the same numeric digit as shown in item 20 (Delivery Term Code) of the applicable DD Form 1513. This entry should be made in the fourth space (card column 34) "Requisitioner" subsection.
- . The "Type of Assistance" ("T/A") code which identifies the payment arrangements which have been agreed to by the customer country and United States for the applicable FMS case. Enter the same alpha/numeric digit as

2262
(Continued)

shown in the "Terms" section of the applicable DD Form 1513. This entry should be made in the fifth space (card column 35) of the "Requisitioner" subsection.

2263
DATE

Date (card columns 36 through 39 on DD Form 1348M; block 11 on DD Form 1348). Entries in these spaces indicate the "Julian Date" (using a 365-day year beginning January 1st) when the requisition is forwarded to NAVILCO. The first of the four digits which make up this coded date indicates the year. The last three digits indicate the day within the year when the requisition is forwarded. For example, the date 14 August 1975 on the Gregorian calendar is the 226th day in the year 1975. The Julian Date for 14 August 1975 would be written as "5226." It is constructed by combining the last digit of the year number (5 from 1975) with the ordinal number (226) of the day within the year.

2264
SERIAL NUMBER

Serial Number (card columns 40 through 43 on DD Form 1348M; block 12 on DD Form 1348). Entries in these spaces consist of four characters beginning each day with 0001 and continuing consecutively through 4999. Serial numbers in the 5000 thru 9999 series are reserved for use by activities within the U.S. supply system for "push" requisitions, and should not be used by customer countries. This entry will always be in numeric characters unless advised otherwise by NAVILCO. However, this exact combination of characters must not be used for any other requisition submitted on the same Julian Date.

CAUTION: Do not leave any spaces in the "Serial Number" section blank. Fill spaces to the left of the first significant digit with zeros. Examples of correct and incorrect Serial Numbers are shown below:

2264	<u>CORRECT</u>	<u>INCORRECT</u>
(Continued)	0003	3
	0015	15
	0367	367

Figure 2-17 shows how a "Document Number" for a requisition is developed, illustrating the information given in paragraphs given in paragraphs 2260 through 2264 above.

2265
DEMAND CODE

Demand Code (card column 44 on DD Form 1348M; block 13 on DD Form 1348). The one-letter entry in this space for the item represented by the requisition is recurring or non-recurring from the U.S. inventory manager's viewpoint.

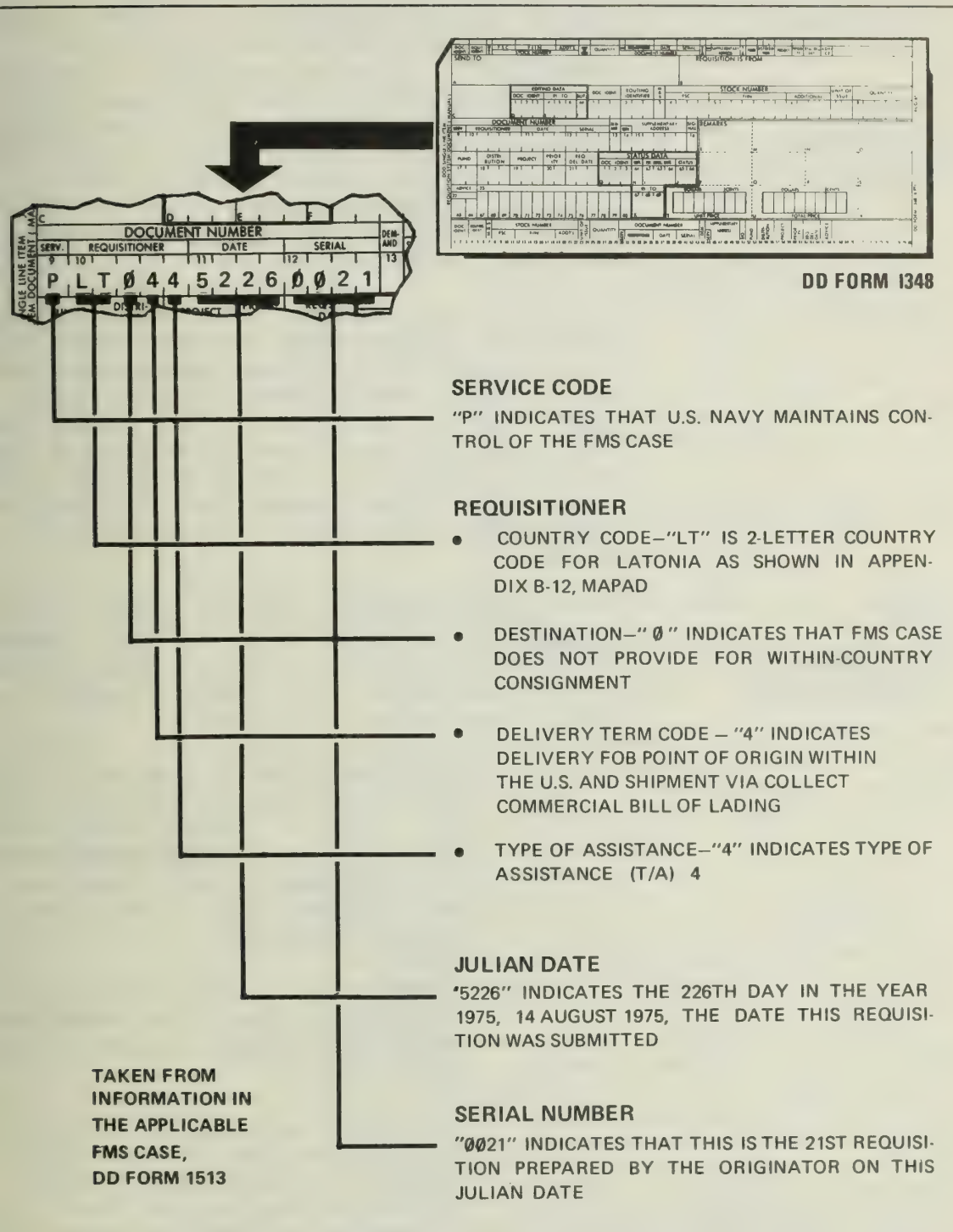
If the authorizing FMS case (DD Form 1513) shows Type of Assistance (T/A) "V" (i.e., it is a CLSSA), enter the letter "R" in the Demand Code section of the requisition. For all other T/As, the letter "N" should be entered in the Demand Code section.

2266
SUFFIX CODE

It is sometimes necessary for the U.S. supply system to make one or more shipments in order to provide the total quantity of an item ordered under an FMS requisition. This could occur, for example, when stocks of the item are not on hand in sufficient quantity at any one storage site in the U.S. supply system to fill the entire quantity ordered. In such instances, partial shipments might be made from stock on hand at two or more storage sites, or part of the total quantity might be shipped from stock on hand, while the remainder might be shipped from a commercial supplier.

In such situations, a one-letter Suffix Code is added to the "Document Number" of the requisition. This provides identification of documents involving partial quantities, without

FIGURE 2-17
Composition of a Requisition
"Document Number"



2266

(Continued)

losing the identity of the original document number. When a Suffix Code is assigned, it will be shown in card column 44 of DD Form 1348M (block 13 of DD Form 1348). A different Suffix Code will be assigned to each partial quantity shipment to be made in fulfillment of a single original requisition. NOTE: Partial issues are not made on COG I material. See paragraph 2361 for card column 44 entries on MILSTRIP documents for COG I material.

The space on MILSTRIP documents in which the Suffix Code appears (when one is assigned) is the same space used for the "Demand Code" (described in paragraph 2265). However, Suffix Codes can easily be distinguished from Demand Codes because Suffix Codes will be other than "N" or "R." The Demand Code for an FMS requisition will always be either "N" or "R."

2267

SUPPLEMENTARY
ADDRESS CODE

Supplementary Address Field (card columns 45 through 50 on DD Form 1348M; block 15 on DD Form 1348). This field within the requisition form consists of four elements of information:

- . Service code of the FMS customer (card column 45)
- . Offer release code providing for whether or not a notice of availability is required (card column 46)
- . Freight forwarder code which identifies the first destination of shipment (card column 47)
- . FMS Case Designator which identifies the DD Form 1513 offer and acceptance which is the authority for the requisition (card columns 48-50).

2267 It is important to recognize that
(Continued) once a requisition is established at
NAVILCO none of the elements within the
supplementary address may change.

2268 Service Code (card column 45 on DD
Form 1348M; block 14 on DD Form 1348).
SERVICE CODE The one-letter entry in this space design-
ates the military service of the custo-
mer country which will receive the item
being requisitioned.

- . Enter "P" in the space if the
 recipient military service in
 the customer country is Navy
- . Enter "B" if the recipient
 military service in the custo-
 mer country is Army
- . Enter "D" if the recipient
 military service in the custo-
 mer country is Air Force.

CAUTION: The "Service Code" entry
must be the same for all requisi-
tions submitted under the authority
of any one FMS Case (DD Form 1513).

2269 The offer release code (card column
OFFER RELEASE 46) identifies the manner in which material
CODE AND FREIGHT will be released to the customer. Ship-
FORWARDER CODE ments can be released automatically to
the freight forwarder or a Notice of
Availability (NOA) may be furnished to
the freight forwarder. The notice of
availability will request a shipping
destination and shipping arrangements.
The code cited in block 20 of the appli-
cable DD Form 1513 is the only one which
may be cited in any requisition under
that case. Whenever an NOA is required
the offer release code in conjunction
with the freight forwarder code is used
to identify the address to which an NOA
is provided. The type address code 3
within the Military Assistance Program
Address Code (MAPAC) applicable to the
freight forwarder code (DOD 5105.38D)

LETTER OF OFFER/ACCEPTANCE
DD FORM 1513

AUTHORIZES

NOTICE OF AVAILABILITY
BY INDICATING EITHER
"Y" OR "Z" IN BLOCK 19



MILSTRIP
REQUISITION DOCUMENT
DD FORM 1348

ADVISES

SHIPPER OF REQUIREMENT
FOR NOTICE OF AVAILABILITY
BY INDICATING EITHER
"Y" OR "Z" IN CARD COLUMN 46



MAPAD
FREIGHT FORWARDER/MAPAC
TAC 3 ADDRESS

IDENTIFIES

THE ADDRESS TO WHICH
NOTICE OF AVAILABILITY
WILL BE PROVIDED

Note: Refer to Figure 2-8 for a detailed illustration
of the three documents cited above.

(Continued)

identifies the clear text address to which Notice of Availability will be sent. Figure 2-18 illustrates this relationship. The following offer release codes are available:

<u>CODE</u>	<u>ACTION</u>
A	Indicates the shipment will be released automatically
Y	Indicates an NOA will be provided; however, if shipping instructions are not received within 15 days the material will be released to the freight forwarder
Z	Indicates an NOA will be provided and shipment will be held until shipping instructions are received.

The freight forwarder code (card column 47) identifies the first destination of shipment. The Military Assistance Program Address Directory (DOD 5105.38D) provides clear text identification of the Freight Forwarder address. A Military Assistance Program Address Code (MAPAC) exists for each freight forwarder code. The specific address to which material and documentation are provided is identified by the Type of Action Code (TAC) within the MAPAC:

TAC 1	Identifies the address to which parcel post deliveries will be made
TAC 2	Identifies the address to which freight will be shipped (shipments other than parcel post)
TAC 3	Identifies the address to which NOA will be provided
TAC 4	Identifies the address to which MILSTRIP status will be furnished

2269

(Continued)

TAC 5 Identifies the address to which parcel post documentation will be furnished

TAC 6 Identifies the address to which freight documentation will be furnished.

There are two additional TAC codes which require prior approval and authorization before they may be used. TAC codes A and B identify freight forwarder addresses which are cleared to receive classified materials. The procedures to acquire a clearance are available in paragraph 10350.

Figure 2-8 provides an illustration of the requisitions relationship to the MAPAD.

There are two exceptions to the use of an offer release code and a freight forwarder code. The use of either exception is restricted to exceptional circumstances and must be specifically authorized by the applicable DD Form 1513 offer and acceptance:

CODE

ACTION

XX Shipment will be made directly to an in-country destination as identified by card column 33 of the requisition. The DD Form 1513 offer and acceptance must provide for reimbursable transportation cost.

XW Whenever this code is used clear text shipping instructions must be identified in the remarks section of the requisition and specifically identified on the applicable DD Form 1513 offer and acceptance.

2270

FMS CASE
IDENTIFICATION

FMS Case Identification (card columns 48 through 50 on DD Form 1348M; last three spaces of block 15 on DD Form 1348). Enter in these three spaces the three-

2270 letter FMS case designator as shown in
(Continued) Item 3 of the authorizing FMS case, DD
Form 1513. For example, Item 3 of the
FMS case, DD Form 1513 might read:

LT-P-ABC

The proper entry in the "FMS Case Identification" section of the requisition would be "ABC." Case designators, which are a part of the case identifier, are explained in detail in paragraph 1221 of Chapter 1.

2271 Signal Code (card column 51 on DD
Form 1348M; block 16 on DD Form 1348).
SIGNAL CODE The entry in this space is for use by
supply system activities in the United
States. It indicates where material is
to be shipped and where the supplier is
to submit the bill associated with the
requisition. Enter the letter "L" in
this space.

2272 Fund Code (card columns 52 and 53
on DD Form 1348M; block 17 on DD Form
1348). Entries in these spaces, together
FUND CODE with information entered in other sections of the requisition, ensure that
detailed financial processing of costs
associated with the requisition are recorded properly. Leave the "Fund Code"
section of the requisition blank.

2273 Distribution Code (card columns 54
through 56 on DD Form 1348M; block 18 on
DD Form 1348). The entry in the first
DISTRIBUTION CODE space of this three-space section indicates the U.S. Navy activity which is
to receive status information from the
U.S. supply system. Leave the first
space of this section blank.

NOTE: For FMS requisitions all status
is processed by NAVILCO and then furnished by NAVILCO to the customer.

2273

(Continued)

Entries in the last two spaces of this three-space section identify the stores account and inventory management category used in the U.S. supply system for the item being requisitioned. For items having a National Stock Number (or a Federal Stock Number), enter the material cognizance symbol ("cog symbol") for the item being requisitioned (e.g., 9N, 2H, 1R, etc.). When the item being requisitioned does not have a National (or Federal) Stock Number, enter the appropriate symbol chosen from the following listing.

- . For Ships Parts -- Enter "1H"
- . For Aircraft Parts -- Enter "1R"
- . For Electronic Parts -- Enter "1N"
- . For Training Devices -- Enter "20" (Not "20")
- . For Publications -- Enter "0I" (Not "0I")
- . For Forms -- Enter "1I".

2274

PROJECT CODE

Project Code (card columns 57 through 59 on DD Form 1348M; block 19 on DD Form 1348). Entries in these spaces may be used only when a project code is specifically authorized by NAVILCO. When a project code is used, the entries will be any combination of alphabetic or alphabetic/numeric characters, subject to the two restrictions given below.

- . The letters A, D, E, F, H, P, R, S, X and Z must not be used in the first space (card column 57) of this section. These letters have been reserved for U.S. use. An alphabetic character must always be inserted in card columns 57 and 58, and a numeric character in card column 59.

2274

(Continued)

- . The first two spaces must have letters and the third space must have a number, OR all three spaces must be left blank. Do not make an entry in only one, or in only two, of the spaces.

2275

PRIORITY

Priority (card columns 60 and 61 on DD Form 1348M; block 20 on DD Form 1348). Entries in these spaces are the two-digit Priority Number (01 through 15) assigned to the requisition in accordance with the U.S. Uniform Material Movement and Issue Priority System (UMMIPS). UMMIPS is described in paragraphs 2121 through 2126.

Use the Force/Activity Designator (F/AD) assigned to the customer country (or to the customer military service or particular FMS case, if different from the country F/AD) to determine the applicable row or column in the UMMIPS Priority Number Table. Determine whether the UND should be "A," "B," or "C" and use the UND to determine which of the three possible Priority Numbers applicable to the authorized F/AD is proper for the requisition. Enter this number in the "Priority" section of the requisition.

Be sure to fill both spaces in the "Priority" section. Use a numeric zero (0) in the first space if the Priority Number is 1 through 9 (i.e., 01, 02, 03, 04, etc.).

2276

REQUIRED
DELIVERY DATE

Required Delivery Date (card columns 62 through 64 on DD Form 1348M; block 21 on DD Form 1348). No entry is required in this section, since UMMIPS prescribes time standards for processing, issue, and shipment of material. However, if delivery is required prior to the elapsed time specified by UMMIPS, that date may be entered in the "Required Delivery Date" section.

2276

(Continued)

If an entry is made in this section, it should be in "Julian Date" format, omitting the "year code." This means that the "Required Delivery Date" entry will consist of three digits showing the day within the year when delivery is required. For example, if delivery is required by 14 February, the 45th day of the year, the "Required Delivery Date" entry would be "Ø45."

If an entry is made in this section, all three spaces must be filled. Zeros should be used to the left of significant digits if necessary to ensure all spaces are filled. For example, ØØ6 (not 6), Ø45 (not 45).

2277

ADVICE CODE

Advice Code (card columns 65 and 66 on DD Form 1348M; block 22 on DD Form 1348). An entry is made in this section only when the requisitioner wishes to give special advice or instructions to the U.S. supply system. If this section is used, the choice of entries is limited to the "2" and "3" series of advice codes provided in Appendix 1 of the MILSTRIP/MILSTRAP Operating Procedures Manual, NAVSUP publication 437. Additionally, advice code 5G will be used for the Return and Exchange of Repairables (NAVMAT Instruction 4900.13). A description of the most frequently used advice codes is provided in Figure 2-19.

If no advice is entered in the requisition, the U.S. supply system will automatically either:

- . Issue the item requested
- . Back-order the item requested and make the issue when stock is received
- . Issue a replacement or substitute item
- . Procure the item from a commercial source.

FIGURE 2-19
Frequently Used MILSTRIP
Advice Codes

ADVICE CODE (Card Col. 65, 66, on DD Form 1348M; Block 22 on DD Form 1348)	Explanation
2B	Requested item only will suffice. Do not substitute/interchange.
2C	Do not back order. Reject any unfilled quantity not available to meet PDD/RDD. Suitable substitute acceptable.
2D	Furnish exact quantity requested (i.e., do not adjust to unit pack quantity).
2F	Item known to be coded "obsolete" but still required for immediate consumption.
2H	Special textile requirements for use in airborne operations where personal safety is involved.
2J	Do not substitute or back order any unfilled quantities.
3B	Item being requisitioned has been designated as a commercial type item. Unable to obtain from commercial sources. Request supply of requisitioned quantity be accomplished against the FMS case reflected in card columns 48-50.
5G	Exchange certification. Requested item is a mandatory turn in repairable for which an unserviceable unit will be turned in on an exchange basis under the same document number as that used in the requisition.

- Note:
- Advice Codes are to be used only when it is desired to give special advice to the supply system as indicated by the advice codes above.
 - When no advice code is inserted in card columns 65-66, the supply system will provide one of the following actions:
 1. Issue the requested item from stock
 2. Back order any unfilled quantities
 3. Issue a replacement item from stock
 4. Issue a substitute item from stock
 5. Procure from commercial source

2278
CARD COLUMNS
67-73; BLOCK 23

Card columns 67 through 73 on DD Form 1348M or the first three spaces in block 23 of DD Form 1348 are not used in the FMS requisition process. Do not make any entries in these columns/spaces.

2279
PRICE

Price (card columns 74 through 80 on DD 1348M; last seven spaces in block 23 on DD Form 1348). This section is not specifically identified (labeled) on either DD Form 1348M, DD Form 1348, or DD Form 1348-6. However, for FMS requisitions these seven spaces are always used to enter the unit price (i.e., the price of one Unit of Issue of the item being requisitioned).

Prices are always stated in U.S. money and include both dollars and cents. Card columns/spaces 79 and 80 are always used to show the "cents" portion of the price. All seven card columns/spaces must be filled. Zeros should be used to the left of significant digits if necessary to ensure all spaces are filled. For example, material with a unit price of \$16.32 would be shown in the "Price" section of the requisition as "0001632."

Each requisition forwarded to NAVILCO must contain a unit price. The best source of price information is the current edition of the Management List - Navy (ML-N). If the ML-N is not available, or if the item being ordered is not listed in the ML-N, the price paid for the item if previously ordered by the customer country may be used. However, prices previously paid should be increased by approximately 10 percent per year (since the date of last delivery) to allow for potential procurement price escalation. If neither an ML-N price nor a price previously paid is available, then the requisitioner should enter an estimated price based on his best judgment.

2279
(Continued)

Corrections to the price shown on the requisition when submitted will be made during the processing of the requisition through the U.S. supply system. The customer will be advised of these price changes through status information provided by NAVILCO. However, it is important that a unit price be included on the requisition when originally submitted, even though the price may be changed later in the processing cycle.

This completes the description of MILSTRIP information elements and the manner in which they are entered on FMS requisitions.

2280
STATUS INFORMATION
PROVIDED TO
CUSTOMERS

Paragraph 2150 describes in general terms the process by which NAVILCO provides the customer with status information indicating the progress of supply action on the requisition. This section of the chapter discusses the process in greater detail.

2281
USE OF MILSTRIP
TO PROVIDE
STATUS

In addition to providing a standard format and coding system for requisitions, MILSTRIP includes similar provisions for communicating status information. These include use of standard formats and coded information elements to permit use of data processing punched cards, electrical transmission, and mechanized processing.

2282
DD FORM 1348M
STATUS CARD

The standard form used to provide status is DD Form 1348M. This is the same document which is used to requisition material, now being used for another of the many different purposes for which the form was designed.

2283
AUTODIN
TRANSMISSION

When used as a Status Card, the DD Form 1348 will be transmitted from NAVILCO to the customer using AUTODIN if the customer representative designated to receive status has AUTODIN access.

2283

(Continued)

If the customer representative does not have access to AUTODIN, NAVILCO will forward status cards, DD Form 1348M, by mail to the customer country representative designated to receive status. Because of AUTODIN's greater speed, customers who have AUTODIN access are strongly encouraged to request its use by NAVILCO in transmitting status information to them.

2284

WHAT A STATUS CARD
LOOKS LIKE

Status cards received by the customer from NAVILCO at an AUTODIN terminal will be punched, but the information represented by the punched holes in the card will not be interpreted. Cards must be interpreted and printed before they can be read. Status cards forwarded to the customer from NAVILCO by mail will be punched, interpreted, and printed before being mailed.

2285

TYPES OF
STATUS DOCUMENTS

A punched, interpreted status card, DD Form 1348M, looks almost identical to the original MILSTRIP requisition, with information printed across the top of the card. The key to distinguishing a status card from the requisition for which it is being furnished is in the document identifier, card columns 1-3. Generally, a sequence of three document identifiers (four if procurement is required) will be provided during the life of a requisition:

- . Document Identifier "AEA",
(AEE for non-standard requisitions) acknowledges that NAVILCO has received and processed the requisition. Figure 2-20 illustrates an AEA acknowledgement card, DD Form 1348M.
- . Document Identifier "AE2".
After an acknowledgement has been received, a number of AE2 status cards will be received. Each AE2 status card provides

FIGURE 2-20
Comparison of DD Form 1348M
Requisition and Status Cards

REQUIRED
DELIVERY DATE

BLANK – SHOWS
DELIVERY
WITHIN
UMMIPS
STANDARDS IS
ACCEPTABLE.

2B

REQ DEL
DATE

2B

ADV
STAT

ADVICE CODE

"2B" – TELLS SUPPLY
SYSTEM NOT
TO ISSUE
A SUBSTITUTE OR
INTERCHANGEABLE
ITEM.

SERIAL		DOWNS		SUPPLEMENTARY ADDRESS		FUND	DISTRIBUTION	PROJECT	PRI	REQ DEL DATE	ADV STAT	MGT	
28													
FUND		DISTRIBUTION		PROJECT		PRI	REQUIRED DEL DATE	ROUTING IDENT	TRANSACTION		DOLLARS		CENTS
DATE SHIPPED		MODE		B/L NO OR SHIPMENT SERIAL NO									
STOCK NUMBER		FSC		FIN		ADDITIONAL		UNIT OF ISSUE		QTY			
6		7		8									
REMARKS													

JAN 64 (NAVY)

REQUIRED
DELIVERY DATE

"Ø45" – SHOWS
THE DATE NAVILCO
RECORDED THE
REQUISITION.

Ø45

REQ DEL
DATE

BW

ADV
STAT

ADVICE CODE

"BW" – SHOWS THAT
NAVILCO HAS
RECEIVED
AND RECORDED THE
REQUISITION. ("BW"
INDICATES A "PULL"
REQUISITION; "BU"
WOULD INDICATE
A "PUSH" REQUISITION.)

SERIAL		DOWNS		SUPPLEMENTARY ADDRESS		FUND	DISTRIBUTION	PROJECT	PRI	REQ DEL DATE	ADV STAT	MGT	
Ø45 BW													
FUND		DISTRIBUTION		PROJECT		PRI	REQUIRED DEL DATE	ROUTING IDENT	TRANSACTION		DOLLARS		CENTS
DATE SHIPPED		MODE		B/L NO OR SHIPMENT SERIAL NO									
STOCK NUMBER		FSC		FIN		ADDITIONAL		UNIT OF ISSUE		QTY			
6		7		8									
REMARKS													

JAN 64 (NAVY)

1348M
(STANDARD STOCK)

1348M
(ON ACKNOWLEDGEMENT)

7

e

FIGURE 2-20
Comparison of DD Form 1348M
Requisition and Status Cards

DOCUMENT IDENTIFIER

"A01" – IDENTIFIES A REQUISITION FOR STANDARD STOCK.

ROUTING IDENTIFIER

"N65" SHOWS REQUISITION SUBMITTED TO NAVILCO.

REQUIRED DELIVERY DATE

BLANK – SHOWS DELIVERY WITHIN UMMIPS STANDARDS IS ACCEPTABLE.

ADVICE CODE

"2B" – TELLS SUPPLY SYSTEM NOT TO ISSUE A SUBSTITUTE OR INTERCHANGEABLE ITEM.

DD FORM 1348M
REQUISITION (FOR STANDARD STOCK)

DOCUMENT IDENTIFIER

"AEA" – IDENTIFIES A STATUS CARD.

ROUTING IDENTIFIER

NAVILCO HAS RECEIVED AND RECORDED REQUISITION

REQUIRED DELIVERY DATE

"045" – SHOWS THE DATE NAVILCO RECORDED THE REQUISITION.

ADVICE CODE

"BW" – SHOWS THAT NAVILCO HAS RECEIVED AND RECORDED THE REQUISITION. ("BW" INDICATES A "PULL" REQUISITION; "BU" WOULD INDICATE A "PUSH" REQUISITION.)

DD FORM 1348M
STATUS CARD (REQUISITION ACKNOWLEDGEMENT)

Continued)

information concerning actions taken by the supply system on the requisition. Figure 2-21 illustrates examples of AE2 supply status cards. Detailed instructions for interpreting supply status are furnished in paragraph 2286.

- . Document Identifier "AB2".
Whenever the supply system inventory manager determines that procurement is required and the requirement is placed on contract, an AB2 document indicating the contract number will be furnished. An AE2 document, with "B7" advice code in cc 64-65, will normally be furnished along with the AB2 document. This AE2 status card provides the contract unit price.
- . Document Identifier "AS2".
When the supply system ships the material, an AS2 shipment status card is furnished. The AS2 document provides shipping data pertinent to the shipment of the material. Paragraph 2287 provides more detailed information on shipment status.

It is important to recognize that certain fields in a MILSTRIP document will never change throughout the life of a requisition. These fields enable anyone involved to correctly identify the requisition at any point in its requisition process. The fields which always remain constant are:

<u>FIELD NAME</u>	<u>CARD COLUMNS</u>
Document Number	30-43
Supplementary Address Code	46-50
Project Code	57-59

FIGURE 2-21
Sample DD Form 1348M Status Card

"AE2" — IDENTIFIES DOCUMENT AS A STATUS CARD.

"N35" — THE ACTIVITY WHICH WILL PROCURE THE MATERIAL.

"9225" — NEW ESTIMATED SHIPPING DATE IS THE 225TH DAY OF THE YEAR 1979.

"BV" — DESCRIBES ACTION BEING TAKEN. **"BV"** INDICATES ITEM IS UNDER PROCUREMENT FOR DIRECT DELIVERY. SHIPPING ACTION WILL BE DELAYED. REVISED ESTIMATED SHIPPING DATE IS IN CARD COLUMNS 70 THROUGH 73.

AE2	N35
DOC IDENT	ROUT IDENT

BV	9225
ADV STAT	

AE2	N35																					BV	9225
DOC IDENT	ROUT IDENT	STOCK NUMBER	ACTIVITY	QUANTITY	REORDER	DATE	SERIAL	INSTR	CONFIDENTIAL	FUND	UNIT	PROJECT	PRI	REQ	DATE	TRANS	UNIT	QTY	ADV	STAT	MGT		
DOCUMENT IDENTIFIER	ROUTING	FSC	FIIN	ADD'L	UNIT	QUANTITY	BLANK	FUND	DISTRI	PROJECT	PRI	REORDER	DATE	TRANS	UNIT	QTY	ADV	STAT	MGT				
0																							
1																							

DD FORM 1348M

"AE2" — IDENTIFIES DOCUMENT AS A STATUS CARD

"0000250" — NEW UNIT PRICE (\$2.50) FOR THE ITEM

"B7" — DESCRIBES ACTION BEING TAKEN. **"B7"** INDICATES "UNIT PRICE CHANGE. THE LATEST UNIT PRICE FOR THE ITEM . . . IS REFLECTED IN CARD COLUMNS 74 THROUGH 80."

AE2	
DOC IDENT	

B7	0000250
ADV STAT	MGT

AE2																						B7	0000250
DOC IDENT		STOCK NUMBER	ACTIVITY	QUANTITY	REORDER	DATE	SERIAL	INSTR	CONFIDENTIAL	FUND	UNIT	PROJECT	PRI	REQ	DATE	TRANS	UNIT	QTY	ADV	STAT	MGT		
DOCUMENT IDENTIFIER	ROUTING	FSC	FIIN	ADD'L	UNIT	QUANTITY	BLANK	FUND	DISTRI	PROJECT	PRI	REORDER	DATE	TRANS	UNIT	QTY	ADV	STAT	MGT				
0																							
1																							
2																							

DD FORM 1348M

HOW TO INTERPRET
SUPPLY STATUS

The purpose of the supply status card is provided by the supply status code, cc 65-66, in an AE2 document. Figure 2-22 lists examples of frequently used status codes with an explanation of each. More than one item of status information can be conveyed by a single supply status card. Particular attention should be given to the following:

<u>CARD COLUMNS</u>	<u>INFORMATION PROVIDED</u>
65 and 66	<u>ACTION TAKEN</u> , i.e., what is happening to the requisition.
8 through 22	<u>STOCK NUMBER CHANGE</u> from the stock number part number, or other identifying data shown in the original requisition or a previous status card.
23 and 24	<u>UNIT OF ISSUE CHANGE</u> from the unit of issue shown in the original requisition or a previous status card.
25 through 29	<u>QUANTITY CHANGE</u> from the quantity shown in the original requisition or a previous status card.
62 through 64	The <u>DATE</u> (day of the year) action taken (shown in card columns 65 and 66) occurred.
67 through 69	The <u>ACTIVITY</u> or organization within the U.S. supply system to which the requisition has been forwarded for the action identified in card columns 65 and 66.

FIGURE 2-22
Frequently Used MILSTRIP Status Codes

STATUS CODE (Card Cols. 65, 66 on DD Form 1348M*)	MEANING
<i>BA</i>	Item being processed for release and shipment.
<i>*BB</i>	Item back-ordered. The estimated shipping date is entered in card columns (cc) 70-73.
<i>BC</i>	Item on original requisition containing this document number has been back ordered. Long delay is anticipated and estimated shipping date is in cc 70-73. Item in stock number field (or "Remarks" field if stock number field cannot accommodate the item number) can be furnished as a substitute. The price for the substitute item is in cc 74-80. If desired, submit cancellation of original requisition and requisition the offered substitute.
<i>BD</i>	Suspended. Action on this requisition is being delayed due to need to verify requirement relative to authorized application, item identification or technical data. Upon completion of review, additional status will be provided to indicate action taken.
<i>BG</i>	Stock number changed or national stock number assigned to part number submitted. Examine unit of issue and quantity for possible changes.
<i>BH</i>	Substitute/interchangeable item being supplied. See substituted/interchanged stock or part number in stock number field. Examine unit of issue and quantity fields for possible changes.
<i>BJ</i>	Unit of issue and/or quantity changed.
<i>BL</i>	Notice of availability was forwarded to the country representative or freight forwarder on date entered in cc 70-73.
<i>BU</i>	Item being supplied against your Foreign Military Sales Case Designator reflected in cc 48-50. This document represents a duplicate of the requisition prepared by the U.S. Military Service.
<i>BW</i>	Your FMS requisition containing this document number has been received by NAVILCO and submitted to the supply system. A current ESD is not presently available but will be provided by subsequent status transactions.
<i>BV</i>	Item being procured for direct shipment to consignee. The estimate shipping date is entered in cc 70-73.
<i>B7</i>	Unit price change. The latest unit price for the item identified by the stock or part number in cc 8-22 is reflected in 74-80.
<i>B8</i>	Quantity requested for cancellation not accomplished.
<i>B9</i>	The activity identified by the code in cc 4-6 is in receipt of your cancellation request. Action to cancel the demand or to divert the applicable shipment is being attempted. Advice of final action will be furnished in subsequent status transactions.
*Status information will always be furnished by NAVILCO to the designated customer representative using DD Form 1348M.	

2286
(Continued)

- 70 through 73 The DATE (day of the year) when material is expected to be available or is to be shipped to the freight forwarder.
- 74 through 80 UNIT PRICE CHANGE (either estimated or actual) from the price contained in the original requisition or in previous status card.

Complete interpretation of the purpose of any supply status card cannot be accomplished without relating the information shown to data previously received. Maintenance of a complete file history on supply status is required for each requisition submitted.

2287
HOW TO INTERPRET
SHIPMENT STATUS

The AS2 shipment status document notifies the customer that NAVILCO has received notification that the material has been shipped. The project code, supplementary address, and the basic document number shown in the AS2 status card will be identical to the original MILSTRIP requisition and to all previously received status.

In reviewing shipment status, the customer should give particular attention to the suffix code in card column 44. When data appear in this field, it indicates that a partial shipment has been made. Any alpha character may appear in the suffix code with the exception of "N" and "R," which are used exclusively as demand codes in the original requisition. When a suffix code appears, the quantity indicated in card columns 25-29 represents the quantity shipped. Supply action will then continue on any undelivered balance remaining due.

2287

(Continued)

The information contained in card column 77 represents the mode of shipment, i.e., how the material was shipped. Figure 2-23 explains the MILSTRIP mode of shipment codes. Card columns 62-76 represent the shipment serial field. This field provides identity to the shipping documentation; parcel post registration or insurance numbers; government bills of lading; transportation control numbers, etc. In most instances, this information can be useful in tracing a shipment. Card column 57-59 indicates the date the item was shipped.

Receipt of shipping status does not signify a need to purge records. On the contrary, shipment records should be maintained for a period of time after the receipt of shipping status for possible use in preparation of Reports of Item Discrepancies (ROIDs), as discussed in Chapter 7, and for any additional correspondence which may arise. When the limitation for filing a report of item discrepancy has passed (1 year from receipt of material or billing date, whichever is later), the customer's retain file records may be transferred to an inactive status. Figure 2-24 illustrates two types of AS2 shipment status documents using DD Form 1348.

2290

CUSTOMER FOLLOW-
UP FOR STATUS
INFORMATION

Paragraph 2161 describes NAVILCO's automatic follow-up process to activities within the U.S. supply system concerning open requisitions for which NAVILCO does not have current valid status information or a forecast shipping (delivery) date. Paragraph 2161 also states that information received by NAVILCO in response to its automatic follow-up program will be forwarded to the customer as status information.

FIGURE 2-23
MILSTRIP Mode of Shipment Codes

Shipment Code (Card Col. 77 on DD Form 1348M Status Cards)*	Explanation
A B F G H I J K L M Q R T Z	Motor, Truckload Motor, Less Truckload MAC Surface Parcel Post Air Parcel Post Government Truck REA Express Rail, Carload Rail, Less Carload Freight Forwarder Air Freight Air Express Air Freight Forwarder MSC (Controlled/Contract/Arranged Space)

*Mode of shipment information will be shown in Card Column 77 of Status Information cards furnished to the designated customer representative on DD Form 1348M.

FIGURE 2-24
Example of Shipment Status Card,
DD Form 1348

AS2		CC 1-3		DD FORM 1348 SHIPMENT STATUS CARD FOR PARCEL POST SHIPMENT																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
				<div style="float: right; writing-mode: vertical-rl; transform: rotate(180deg);">EDITION OF 1 AUG 61 MAY BE USED UNTIL EXHAUSTED</div> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2">ANALITY</th> <th>NO</th> <th>REQUISITION</th> <th>DATE</th> <th>SERIAL</th> <th>NO</th> <th>SUPPLEMENTARY</th> <th>NO</th> <th>FUND</th> <th>DISTRIBU</th> <th>PROJECT</th> <th>PRIOR</th> <th>REQ DEL</th> <th>ADV</th> </tr> <tr> <th colspan="2"></th> <th></th> <th>NUMBER</th> <th></th> <th></th> <th></th> <th>ADDRESS</th> <th></th> <th></th> <th>TION</th> <th></th> <th>ITY</th> <th>DATE</th> <th>STAT</th> </tr> <tr> <td colspan="15">REQUISITION IS FROM:</td> </tr> <tr> <td colspan="15">B</td> </tr> <tr> <td colspan="2">ST</td> <td colspan="2">DOC</td> <td colspan="2">ROUTING</td> <td colspan="2">M & S</td> <td colspan="10">STOCK NUMBER</td> <td colspan="2">UNIT OF</td> <td colspan="2">QUANTITY</td> </tr> <tr> <td colspan="2"></td> <td colspan="2"></td> <td colspan="2">IDENTIFIER</td> <td colspan="2"></td> <td colspan="10">NITN</td> <td colspan="2">ISSUE</td> <td colspan="2"></td> </tr> <tr> <td colspan="2">4</td> <td colspan="2">1 2 3</td> <td colspan="2">4 5 6</td> <td colspan="2">7</td> <td colspan="10">8 9 10 11 12 13 14 15 16 17 18 19 20 21 22</td> <td colspan="2">23 24</td> <td colspan="2">25 26 27 28 29</td> </tr> <tr> <td colspan="2">AS 2</td> <td colspan="2"></td> <td colspan="2"></td> <td colspan="2"></td> <td colspan="10"></td> <td colspan="2"></td> <td colspan="2"></td> </tr> <tr> <td colspan="2">44</td> <td colspan="2">45 46 47 48 49 50</td> <td colspan="2">51</td> <td colspan="10">REMARKS</td> <td colspan="2"></td> <td colspan="2"></td> </tr> <tr> <td colspan="2">A</td> <td colspan="2">P A 3 J A C</td> <td colspan="2"></td> <td colspan="10"></td> <td colspan="2"></td> <td colspan="2"></td> </tr> <tr> <td colspan="15">STATUS DATA</td> <td colspan="2"></td> <td colspan="2"></td> </tr> <tr> <td colspan="15">2 3 44 62 63 64 65 66</td> <td colspan="2"></td> <td colspan="2"></td> </tr> <tr> <td colspan="15">M I J</td> <td colspan="2"></td> <td colspan="2"></td> </tr> <tr> <td colspan="15">BI-TO</td> <td colspan="2"></td> <td colspan="2"></td> </tr> <tr> <td colspan="15">67 68 69</td> <td colspan="2"></td> <td colspan="2"></td> </tr> <tr> <td colspan="15">DOLLARS CENTS</td> <td colspan="2"></td> <td colspan="2"></td> </tr> <tr> <td colspan="15">UNIT PRICE</td> <td colspan="2"></td> <td colspan="2"></td> </tr> <tr> <td colspan="15">DOLLARS CENTS</td> <td colspan="2"></td> <td colspan="2"></td> </tr> <tr> <td colspan="15">TOTAL PRICE</td> <td colspan="2"></td> <td colspan="2"></td> </tr> <tr> <td colspan="15">UNIT PRICE</td> <td colspan="2"></td> <td colspan="2"></td> </tr> <tr> <td colspan="15">TOTAL PRICE</td> <td colspan="2"></td> <td colspan="2"></td> </tr> <tr> <td colspan="15">DOCUMENT NUMBER</td> <td colspan="2"></td> <td colspan="2"></td> </tr> <tr> <td colspan="15">REQUISITION DATE SERIAL</td> <td colspan="2"></td> <td colspan="2"></td> </tr> <tr> <td colspan="15">NO 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80</td> <td colspan="2"></td> <td colspan="2"></td> </tr> </table>																												ANALITY		NO	REQUISITION	DATE	SERIAL	NO	SUPPLEMENTARY	NO	FUND	DISTRIBU	PROJECT	PRIOR	REQ DEL	ADV				NUMBER				ADDRESS			TION		ITY	DATE	STAT	REQUISITION IS FROM:															B															ST		DOC		ROUTING		M & S		STOCK NUMBER										UNIT OF		QUANTITY						IDENTIFIER				NITN										ISSUE				4		1 2 3		4 5 6		7		8 9 10 11 12 13 14 15 16 17 18 19 20 21 22										23 24		25 26 27 28 29		AS 2																						44		45 46 47 48 49 50		51		REMARKS														A		P A 3 J A C																		STATUS DATA																			2 3 44 62 63 64 65 66																			M I J																			BI-TO																			67 68 69																			DOLLARS CENTS																			UNIT PRICE																			DOLLARS CENTS																			TOTAL PRICE																			UNIT PRICE																			TOTAL PRICE																			DOCUMENT NUMBER																			REQUISITION DATE SERIAL																			NO 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80														
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FIGURE 2-24
Example of Shipment Status Card,
DD Form 1348

DOCUMENT IDENTIFIER
"AS2" INDICATES SHIPMENT STATUS

AS2
CC 1-3

DD FORM 1348
SHIPMENT STATUS CARD FOR PARCEL POST SHIPMENT

CODE "A" INDICATES PARTIAL DELIVERY
A
CC 44

DATE OF SHIPMENT (JULIAN DATA)
115
CC 57-59

INSURED PARCEL POST INS. NO.
* I = INSURED
OR
C = CERTIFIED
R = REGISTERED

I*
CC 68

SER NR
CC 69-74

G
CC 77

SHIPMENT MODE "G" SURFACE PARCEL POST

EDITION OF 1 AUG 61 MAY BE USED UNTIL EXHAUSTED

SEND TO:										REQUISITION IS FROM:														
DOC. IDENT.	ROUT. IDENT.	FSC	NTIN	ADD. UNIT	QUANTITY	DOC. NUMBER	DATE	SERIAL	CH. SUPPLEMENTARY ADDRESS	CH. FUND	CH. PROJECT	CH. PRIOR. INT.	CH. REL. DATE	CH. ADV. STAT.										
															EDITING DATA DOC. IDENT. 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 AS2									
															ROUTING IDENTIFIER 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 AS2									
															STOCK NUMBER 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 PLTA4490150003A									
															REMARKS 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 PLTA4490150003A									
															FUND DISTRIBUTION 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 48F1R11515									
															STATUS DATA 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 1658913									
															ADVISE 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 1658913									
															UNIT PRICE 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 1658913									
															TOTAL PRICE 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 1658913									

AS2	
CC 1-3	

DD FORM 1348

**SHIPMENT STATUS CARD FOR COLLECT SHIPMENT
ON COMMERCIAL BILL OF LADING**

DOCUMENT NUMBER		DATE		SERIAL		SUPPLEMENTARY ADDRESS		UNIT		DISBURS		PROJECT		PRICE		REQ. DL		ADV							
REQUISITION IS FROM:																									
ROUTING IDENTIFIER		M & S		STOCK NUMBER																		UNIT OF ISSUE		QUANTITY	
1 2 3		4 5		FSC NTIN																		23 24		25 26 27 28 29	
AS2 NOZV		5895002400022		EA000001																					
SUPPLEMENTARY ADDRESS		REMARKS																							
PA3JAC		L M N C																							
VALUE DATA		P Q R S																							
DATE		U V																							
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22																									
DOCUMENT NUMBER		DATE		SERIAL		SUPPLEMENTARY ADDRESS		UNIT		DISBURS		PROJECT		PRICE		REQ. DL		ADV							

SSBT	CODE
CC 62-65	SSBT = NAME OF CARRIER

FIGURE 2-24(2)
Example of Shipment Status Card,
DD Form 1348

DD FORM 1348
**SHIPMENT STATUS CARD FOR COLLECT SHIPMENT
ON COMMERCIAL BILL OF LADING**

DOCUMENT IDENTIFIER
"AS2" INDICATES SHIPMENT
STATUS

AS2
CC 1-3

SHIPMENT
B/L IDENTIFIER
(LOCALLY ASSIGNED
SERIAL NUMBER)

**SER
NR**
CC 66-73

CODE "B"
INDICATES
COMMERCIAL
COLLECT BILL
OF LADING

B
CC 77

SSBT
CC 62-65

CODE
SSBT = NAME
OF CARRIER

SEND TO:										REQUISITION IS FROM:									
A B C										D E F G H I J K L M N O P Q R S T U V									
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 AS 2 NOZ V 5895002400022										23 24 25 26 27 28 29 EA00001									
30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 PLT04490170011 PA3JAC										52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 48F2R12715 SSB									
67 68 69 70 71 72 73 T12340000										74 75 76 77 78 79 80 B									

2291

USE OF DD FORMS
1348M/1348 FOR
FOLLOW-UP

However, despite this automatic follow-up program, there may be occasions when the customer wishes to initiate independent follow-up with NAVILCO. Thus far, the uses of the DD Form 1348M and DD Form 1348 as requisition documents and as status card documents have been described. These forms may also be used by the customer to initiate follow-up with NAVILCO.

2292

HOW TO FILL OUT
DD FORM 1348M AND
DD FORM 1348 WHEN
USED FOR FOLLOW-UP

When used as a follow-up document, the DD Form 1348M or DD Form 1348 look almost identical to the requisition for the item for which the follow-up is being submitted or a duplicate of the last status card received. The only difference is in the "Document Identifier" section (card columns 1 through 3 on DD Form 1348M; block 1 on DD Form 1348). When the form is used as a follow-up document, the characters "AF1" should be entered in the "Document Identifier" section. The remainder of the entries are identical to those made when the form is used as a requisition or duplicated from the last status card received. Figure 2-25 illustrates the difference between use of DD Form 1348M and DD Form 1348 as requisitions and as follow-up documents.

Follow-up documents showing "AF1" in the "Document Identifier" section will yield a response from NAVILCO which provides all available status information. However, a specialized type of follow-up document may be used if material is urgently needed and it is necessary to request improvement in the estimated shipping date which has been provided in earlier supply status information. This specialized type of follow-up may be used only for requisitions bearing Priority Numbers 01 through 08.

When the estimated shipping date shown in card columns 70 through 73 of the Supply Status Card (MILSTRIP Document

(DD Form 1348M and DD Form 1348)

"DOCUMENT IDENTIFIER" IS
"A01" FOR REQUISITION;
"AF1" FOR FOLLOW-UP.
REMAINDER OF ENTRIES
IS IDENTICAL.

DD FORM 1348M USED AS REQUISITION

"DOCUMENT
IDENTIFIER" IS
"A01" FOR REQUISITION;
"AF1" FOR FOLLOW-UP.
REMAINDER IS
IDENTICAL

DD FORM 1348 USED AS REQUISITION

DD FORM 1348 USED AS FOLLOW-UP

2292 Identifier "AE2" discussed in paragraphs
(Continued) 2280 through 2287) is unsatisfactory,
the FMS customer may submit a follow-up
document showing the characters "AFC" in
the "Document Identifier" section (card
columns 1 through 3 on DD Form 1348M;
block 1 on DD 1348). This will automa-
tically initiate action within the U.S.
supply system to attempt improvement in
the estimated shipping date.

2293 As is true for requisitions, use of
the mechanized card form, DD Form 1348M,
and transmission by AUTODIN to NAVILCO
are preferred for follow-up cards. Where
AUTODIN facilities are not available to
the customer, follow-up cards should be
transmitted to NAVILCO by mail. Use of
the manual card, DD Form 1348, made out
by typewriter or legibly handwritten
and forwarded to NAVILCO by mail, is also
acceptable. The DD Form 1348-6, "Non-
FSN Requisition (Manual)," may not be
used for follow-up.

2294 In situations of unusual urgency,
follow-up inquiries may be prepared in
MILSTRIP message format and be forwarded
to NAVILCO by electrical means. Para-
graphs 2232 and 2233 describe MILSTRIP
message format for requisitions, and
Figures 2-12 and 2-13 show examples of
message requisitions. The MILSTRIP
message format for follow-up is identical
to that for requisitions except that
the characters "AF1" are substituted
for "AØ1" (or "AØ5" in requisitions for
non-standard material) in the first line
of message text.

2295 The need for selective customer
follow-up is clearly recognized. Never-
theless, it is also true that, while most
follow-up actions and their responses
communicate valuable information to the
customer, very few really contribute
positively to more rapid or more effi-
cient supplying of material or services.

2295

(Continued)

To the extent that efforts and resources--both those of the customer and of the U.S. supply system--are expended on follow-up and response, they can actually divert efforts and resources from direct supply processing. Therefore, customer follow-up must be exercised with restraint and on a selective basis.

Similarly, it is pointless to follow up until the U.S. supply system has had reasonable time to take action with respect to the requisition. Figure 2-26 reflects the conditions discussed in this paragraph. It also provides a guide in determining how long the customer should wait after receipt of last status (or requisition submission, if NAVILCO has not furnished receipt acknowledgment) before initiating follow-up.

2296

OTHER MILSTRIP
DOCUMENTS WHICH
MAY BE ENCOUNTERED
BY CUSTOMERS

Three important MILSTRIP documents have been discussed thus far in this chapter. They are:

- . The MILSTRIP Requisition, forwarded by the customer (a "pull" requisition), or on the customer's behalf (a "push" requisition), to the U.S. supply system
- . The MILSTRIP Status Card, forwarded from NAVILCO to the customer
- . The MILSTRIP Follow-up, forwarded by the customer to NAVILCO.

There are other MILSTRIP documents (in addition to those which physically accompany the material) which the customer may have occasion to originate or receive. These MILSTRIP documents are identified and briefly described below. The first group includes those which the customer may originate; the second group includes documents which the customer

FIGURE 2-26
Table for Determining
When to Initiate Customer Follow-up

IF ORIGINAL REQUISITION UMMIPS PRIORITY NUMBER IS:

Ø1, Ø2, or Ø3

Ø4, Ø5, Ø6, Ø7, or Ø8

Ø9, 1Ø, 11, 12, 13, 14, or 15

AND REQUISITION WAS SUBMITTED BY:

AUTODIN
or message

Air mail

AUTODIN
or message

Mail

AUTODIN or mail

DO NOT INITIATE FOLLOW-UP TO NAVILCO UNTIL:

5 days after
submission of
requisition

20 days after
submission of
requisition

15 days after
submission of
requisition

30 days after
submission of
requisition

30 days after
submission of
requisition

OR

OR

OR

5 days after the estimated delivery
date provided in the last status
information has passed and no ship-
ment status has been provided.

10 days after the estimated delivery
date provided in the last status
information has passed and no ship-
ment status has been provided.

15 days after the estimated delivery
date provided in the last status
information has passed and no ship-
ment status has been provided.

AND SUBMIT FOLLOW-UP BY:

AUTODIN or message

AUTODIN or mail

NOTE: If specialized follow-up to improve the estimated shipping date (MILSTRIP Document Identifier "AFC")
is being submitted, it must be forwarded to NAVILCO by AIR MAIL, NOT BY AUTODIN.

2296

(Continued)

may receive. All of these documents and their use are described more fully in the U.S. Navy MILSTRIP guide, NAVSUP Publication 437.

2297

OTHER MILSTRIP
DOCUMENTS WHICH
THE CUSTOMER
ORIGINATES

Follow-up/Requisition Reinstatement, MILSTRIP document identifier "AT1" (for standard stock items) or "AT5" (for non-standard items), is a specialized type of follow-up document originated by the customer. It is used when the initial status card acknowledging receipt of the requisition has not been received from NAVILCO after a reasonable time. It advises NAVILCO that the customer has not received a requisition acknowledgment and tells NAVILCO to consider the follow-up as a requisition if NAVILCO has no record of the original requisition.

The Follow-up/Requisition Reinstatement document is identical to the original requisition except for the "Document Identifier" section. If the original requisition was an item of standard stock, the characters "AT1" are inserted in the "Document Identifier" section, card columns 1 through 3 of DD Form 1348M (block 1 of DD Form 1348). If the original requisition was for a non-standard item, the characters "AT5" are inserted in the "Document Identifier" section of DD Form 1348-6. Exception data on the original MILSTRIP requisition must be included on the "AT5" follow-up document.

Increase in Quantity. The MILSTRIP system does not permit an increase in the "Quantity" Section (card columns 25 through 29 DD Form 1348M; block 8 of DD Form 1348) of a requisition after it has been submitted. If it is necessary to order more of an item which has been included on a requisition previously submitted, this can be accomplished in either of two ways:

Continued)

- . Submit a second, separate requisition, using a different document number, for the additional quantity required, OR
- . Cancel the original requisition (as described in the paragraphs below), and submit a new requisition, using a different document number, for the total quantity required.

If a second requisition for the additional quantity is submitted, the total quantity ordered under both requisitions will almost invariably be forwarded to the FMS customer in two or more separate shipments. If the original requisition is canceled and a new requisition is submitted for the total quantity, material may be forwarded in a number of separate shipments. It is likely, however, that initial receipt of material by the FMS customer will occur later than if the method of submitting a second requisition for the additional quantity is used.

Cancellation, MILSTRIP document identifier "AC1," is the document originated by the customer to cancel a requisition which has previously been submitted. If cancellation of the entire quantity ordered is desired, the card is identical to the original requisition document except that the characters "AC1" are inserted in the "Document Identifier" section, card columns 1 through 3 of DD Form 1348M (block 1 of DD Form 1348). If cancellation of only part of the quantity order is desired, "AC1" should be entered in the "Document Identifier" section and the reduction (i.e., the amount to be canceled) should be entered in the "Quantity" section (card columns 25 through 29 on DD Form 1348M; block 8 on DD Form 1348).

(Continued)

FMS customers should realize that cancellation of requisitions cannot always be accomplished by the U.S. supply system. This occurs most often when supply or purchase action is already well advanced at the time the "AC1" cancellation request is received by NAVILCO. For example, if material has already been shipped (even though not yet received by the FMS customer or his representative), cancellation cannot be effected.

In situations where a purchase contract has been entered into with a commercial supplier, it is sometimes not possible to cancel the contract without requiring the FMS customer to pay part, or all, of the contract price for material ordered. In situations such as this, NAVILCO will advise the FMS customer of the cost involved before taking action to cancel the requisition.

As a general rule, if the FMS customer has received a MILSTRIP supply status card (MILSTRIP Document Identifier "AE2" in card columns 1 through 3 of DD Form 1348M) with either code "BA," "BH," or "BL" in card columns 65 and 66, it is probable that cancellation cannot be accomplished. Similarly, if a MILSTRIP shipment status card with Document Identifier "AS2" in card columns 1 through 3 as described in paragraph 2287, has been received by the FMS customer, cancellation is usually impossible.

Follow-up on Cancellation, MILSTRIP document identifier "AK1," is a specialized type of follow-up document originated by the customer if no acknowledgment or confirmation of cancellation is received from NAVILCO within a reasonable time after he has submitted a cancellation. It is identical to the MILSTRIP cancellation document except that the characters "AK1" are inserted in the "Document Identifier" section, card columns 1 through 3 of DD Form 1348M (block 1 of DD Form 1348).

2297

(Continued)

Document Modifier, MILSTRIP document identifier "AM1" (for standard stock items) or "AM5" (for non-standard items), is the document originated by the customer to change the priority or Required Delivery Date from that originally submitted. It is used by FMS customers to change the priority or required delivery date for the entire quantity of an item being ordered. The AM1 may not be used for partial quantities. Detailed instructions on what the customer should enter in DD Form 1348M or DD Form 1348 to accomplish a change in priority are contained in paragraph 2330, Section C of this chapter.

2298

OTHER MILSTRIP
STATUS DOCUMENTS
WHICH THE CUSTOMER
MAY RECEIVE

Other MILSTRIP documents which the customer may receive from NAVILCO include those described below.

- . Requisition Rejection, MILSTRIP document identifier "AE2" with a two-letter entry beginning with the letter "C" in the "Status Code" section (card columns 65 and 66 of DD Form 1348). This is a specialized type of status information which indicates to the customer that the requisition originally submitted cannot be accepted by the U.S. supply system. The coded entries in card columns 65 and 66 will indicate the reason for rejection. These codings and their meaning are included in Figure 2-27.
- . Reply to Cancellation, MILSTRIP document identifier "AU2," is an acknowledgment from the supply system that the customer's cancellation request (MILSTRIP document identifier "AC1", described in paragraph 2297 above) could not be honored since shipment had already been accomplished.

FIGURE 2-27
MILSTRIP Requisition Rejection Codes

REJECTION CODE (Card Cols. 65, 66 on DD Form 1348M)*	Explanation
<i>CA</i>	Rejected. Explanation for rejection is stated in the Remarks field (continued on reverse side of card as necessary). In this case, the status card will be mailed. This code will not be used when other status codes have been established to convey a specific condition.
<i>CB</i>	Rejected. Initial requisition requested rejection of that quantity not available for immediate release or not available by the PDD or RDD. Quantity field indicates quantity not filled. This code is specifically applicable in responding to Advice Codes 2C and 2J.
<i>CD</i>	Rejected. Unable to process because of errors in the quantity, date, serial number and/or signal code fields.
<i>CF</i>	Rejected. This requisition is an exact duplicate of a previously received requisition presently in process.
<i>CG</i>	Rejected. Unable to identify requested items. Re-requisition and furnish correct NSN or Part Number. If correct NSN or part number is unknown or if part number if correct, resubmit on DD Form 1348-6 furnishing as much data as is available.
<i>CJ</i>	Rejected. Item coded (or being coded) "obsolete" in latest stock lists/catalogs and not available for issue. If still required, re-requisition for procurement on DD Form 1348-6, citing Advice Code 2F and furnish technical data, e.g., end item usage, component, make, model, series, serial number, drawing, piece and/or part number, manual reference, applicable publication.
<i>CK</i>	Rejected. Item not available. Requisition next higher assembly.
<i>CL</i>	Rejected. Item not available. Requisition component parts if practicable.
<i>CS</i>	Rejected. Quantity requisitioned is suspect of error or indicates excessive quantity. Partial quantity being supplied. Quantity field in this transaction reflects quantity rejected. If requirement still exists, submit a new requisition for the required quantity using Advice Code 2L.
<i>CT</i>	Rejected. NSN item cited in the requisition needs further identification. Submit new AØ5 or AØE requisition citing make, model, series, serial number and/or end item usage or publication reference, as applicable in order to determine item required.
<i>C6</i>	Rejected. Requisition is for commercial type item which is not authorized for supply under the Foreign Military Sales program. If unable to obtain desired item from commercial sources, submit new requisition containing Advice Code 3B.

*Rejection cards will always be furnished by NAVILCO to the designated customer representative using DD Form 1348M.

SUMMARY

This section of Chapter 2 has described the requisitioning process in detail from the customer's viewpoint. It has described:

- . How the customer should make out a requisition and the forms to use for this purpose
- . How requisitions should be transmitted to NAVILCO
- . What the MILSTRIP data elements in a requisition mean
- . How, and in what form, status information is provided to customers
- . How, and when, the customer may conduct follow-up with NAVILCO if it becomes necessary
- . MILSTRIP documents other than requisitions, status cards, or follow-up cards which the customer may originate or receive.

Section C of this chapter is devoted to:

- . Items of special interest to the customer
- . Requisitioning situations which are different from the unusual situations previously described
- . Conditions which require special attention or special caution by the customer.

SECTION C--AREAS OF SPECIAL INTEREST

This section of Chapter 2 covers a wide range of topics which are directly or indirectly associated with FMS requisitioning but which have not been covered in Sections A or B. This section also reemphasizes some topics which have been previously mentioned, and lists some "dos" (i.e., actions which the requisitioner should take) and some "don'ts" (i.e., actions which the requisitioner should avoid). The purpose of this section is to answer questions which may arise occasionally and to assist requisitioners in avoiding pitfalls.

2310

HOW TO OBTAIN
MILSTRIP FORMS

MILSTRIP forms, DD Form 1348M, DD Form 1348, and DD Form 1348-6 for customer use in requisitioning, follow-up, cancellations, etc., are items of standard stock. They may be requisitioned from the U.S. supply system in the same manner as any other item of material. Pertinent identification data are provided below.

<u>FORM NUMBER</u>	<u>UNIT OF ISSUE</u>	<u>MATERIAL COGNIZANCE SYMBOL</u>	<u>STOCK NUMBER</u>	<u>STANDARD UNIT PRICE</u>
DD Form 1348M	BX (Box, 2000 cards per box)	1I	0102-LF-013-4840	\$ 4.40
DD Form 1348 (2 part)	BX (700 forms per box)	1I	0102-LF-013-1002	\$11.50
DD Form 1348 (4 part)	BX (600 forms per box)	1I	0102-LF-013-1010	\$11.50
DD Form 1348 (6 part)	BX (500 forms per box)	1I	0102-LF-013-1020	\$12.50
DD Form 1348-6	PG (Package of 100 forms)	1I	0102-LF-013-2272	\$ 2.30

2310

(Continued)

NOTE: Standard prices shown are those in effect in August 1979 and are subject to change. The customer should refer to the Navy Stock List of Forms and Publications, NAVSUP Publication 2002, to validate stock numbers and obtain current prices before submitting requisitions.

2320

COMMUNICATION
SYSTEM FEATURES;
AUTODIN, DAAS,
AND MINIMIZE

The customer should be aware of those features of the U.S. Department of Defense communication system which may have an effect on processing of FMS requisitions. These features are AUTODIN, the Automated Digital Network; DAAS, the Defense Automatic Addressing System; and MINIMIZE, a method for reducing electrical transmissions during periods of peak communications workload.

2321

AUTODIN

AUTODIN is the abbreviation for the U.S. Department of Defense Automated Digital Network which was identified in paragraph 2131. AUTODIN is a capability for electrical transmission of information in a form which is directly processable by automatic data processing machines. Input to, and output from, AUTODIN terminals are in standard, 80-column punched card format. Most U.S. forces worldwide have AUTODIN capability. Many FMS customer countries have made arrangements with U.S. commands in their geographic area to use AUTODIN for receipt and transmission of MILSTRIP information associated with the FMS Program. Customer use of AUTODIN is strongly encouraged because it provides a two-fold advantage in speeding up information processing.

- . Because AUTODIN is an electrical transmission medium, information sent by AUTODIN travels much more quickly than by mail

2321 . Because AUTODIN communications
(Continued) are in machine processable
form, they can be input directly
into automated data processing
systems without the need for
time-consuming "translation"
from plain language.

2322 DAAS is the abbreviation for the
Defense Automatic Addressing System.
DAAS ensures that AUTODIN communications
involving standard stock material are
routed to the proper supply activity
within the U.S. supply system. Because
DAAS can utilize the 13-digit NSN (as
well as other MILSTRIP codes) as the
routing key, it will direct FMS requisitions
from NAVILCO to the proper inventory
manager even if the customer has
entered the wrong stores account and
inventory management category in the
last two spaces of the "Distribution
Code" section of the requisition (card
columns 55 and 56 of DD Form 1348M;
block 18 of DD Form 1348).

2323 MINIMIZE is the short title of a
restrictive condition imposed upon electrical
communications transmission within the U.S.
Department of Defense communication system.
It is designed to ensure that the most
important communications are transmitted
without undue delay during periods of heavy
traffic load (or overload) in the communication
system. MINIMIZE accomplishes this aim
by diverting less essential communications
from electrical transmission to mail.

Typically, MINIMIZE will be imposed
for periods ranging in length from a day
or two up to as long as 2 weeks. During
MINIMIZE periods, electrical transmission
of communications concerning FMS requisitions
would normally be prohibited for all but
requisitions bearing UMMIPS priority numbers
Ø1, Ø2 or Ø3. MINIMIZE may be imposed in a
relatively small

2323

(Continued)

geographical area by the local U.S. forces commander, in a larger area by the U.S. unified forces commander, or worldwide by the U.S. Joint Chiefs of Staff.

MINIMIZE may be selectively imposed on message (or "record") traffic, on voice (telephone, using the U.S. worldwide Automatic Voice Network, AUTOVON), or on data (AUTODIN) traffic. MINIMIZE affects only communications within the U.S. Department of Defense communications system; it does not apply to commercial telephone, telegraph, cable, TELEX, or other electrical communications transmission media. Thus, imposition of MINIMIZE will affect FMS customers only to the extent that communications concerning their requisitions are being transmitted within the U.S. Department of Defense communication system.

2330

CHANGING PRIORITY
OF A REQUISITION

There are certain emergency conditions which may arise after a requisition has been submitted which may make it necessary to increase the UMMIPS priority assigned to all, or a portion, of the material ordered on the requisition. Emergencies which justify such an increase in priority are:

- . Inability of an operational unit to perform assigned operational tasks
- . Requirement to make emergency repairs to primary weapon systems or equipment
- . An imminent work stoppage for lack of material at an activity engaged in the repair, modification or manufacture of primary weapons, equipment, or supplies.

2330

(Continued)

However, even when such emergencies arise, customers should exercise great restraint. Priority may be increased only on that quantity of material necessary to remedy the emergency. For example, three electronic transistors are required for emergency repairs to the radio of an operating aircraft. The customer had previously submitted a requisition for 100 of the item to replenish stock at an operating air station. Under these conditions, justification exists to increase the priority for a quantity of 3 of the item. However, priority on the remaining 97 should not be changed.

The customer should also evaluate carefully whether an increase in priority is likely to have any significant favorable effect on material delivery. This is especially important if the potential increase in priority is applicable to the entire quantity which was requisitioned, and if status information has been received that the material is being purchased (rather than being issued from stock on hand). In such a situation, it is unlikely that an increase in priority will have any real impact in improving delivery from the commercial supplier. It is also unlikely that the U.S. supply system will have an alternative source which can provide faster delivery.

If the requisitioner has decided that an increase in priority is justified and is desirable, it is necessary to determine whether the priority change is to apply to the entire quantity previously requisitioned, or to only part of the quantity.

2331

PRIORITY CHANGE;
ENTIRE QUANTITY

If the priority change is to apply to the entire quantity, the customer must then review the original requisition to determine if the item is standard stock or non-standard material.

2331

(Continued)

If standard stock, the customer should prepare a MILSTRIP Document Modifier card, entering the characters "AM1" in the "Document Identifier" section of the card (card columns 1 through 3 of DD Form 1348M; block 1 of DD Form 1348). The remainder of the card should be identical to the original requisition except for the "Priority" section (card columns 60 and 61 on DD Form 1348M; block 20 of DD Form 1348) and the "Required Delivery Date" section (card columns 62 through 64 on DD Form 1348M; block 21 on DD Form 1348). The new, increased priority and new "Required Delivery Date" should be entered in these sections. The card should be transmitted promptly to NAVILCO.

If the item ordered is non-standard, a MILSTRIP "Document Mondifier" should be prepared, entering the characters, "AM5" in the "Document Identifier" section. The changed priority and required delivery date should be entered in the "Priority" and "Required Delivery Date" sections, respectively, and the card should be transmitted promptly to NAVILCO.

2332

PRIORITY CHANGE;
PARTIAL QUANTITY

If the priority change is to apply to only part of the quantity ordered on the original requisition, the customer should:

- . Submit an entirely new requisition for the quantity urgently needed, indicating the increased priority and earlier required delivery date
- . Submit a MILSTRIP cancellation for the quantity of the item being ordered on the new requisition. This will be identical to the original requisition except for the "Document Identifier" and "Quantity" sections. Enter the characters "AC1" in the "Document Identifier"

2332
(Continued)

section (card columns 1 through 3 of DD Form 1348M; block 1 of DD Form 1348). Enter the amount by which the originally ordered quantity is being reduced in the "Quantity" section (card columns 25 through 29 on DD Form 1348M; block 8 on DD Form 1348). This entry should be the same as the quantity being ordered on the new requisition with increased priority.

2340

SPECIAL
REQUISITIONING
SITUATIONS

Thus far, this chapter has provided information applicable to FMS requisitioning situations which follow the usual pattern. In addition, there are some special requisitioning situations that involve action by the customer which is different from, or in addition to, the usual pattern. Paragraphs 2341 through 2364, below, explain those "special requisitioning situations" which the customer is most likely to encounter.

2341

MAJOR WEAPON
SYSTEMS OR
EQUIPMENT

The FMS purchase of a major weapon system (such as one or more squadrons of modern fighter aircraft) or equipment (such as shipboard sonar or radar) presents the customer country with extremely complex logistic support responsibilities. These responsibilities are not limited to supply support but also include some or all of the following:

- . Operating site preparation
- . Operating personnel training
- . Special support and testing equipment
- . Maintenance, overhaul, and repair.

For FMS cases in which the Navy is the implementing U.S. military service, every effort is made to ensure

2341

(Continued)

that the case (or other cases) provides for U.S. assistance to the customer in fulfilling these logistic support responsibilities. For instance, Chapter 11 of this manual describes the capabilities of a Supply Assistance Team. This type of team is one example of the many types of assistance which can be made available.

2342

IMPORTANCE OF
MONITORING "PUSH"
REQUISITIONS

During the introduction of a major weapon system or equipment in a customer country, most material will be ordered and shipped without any requisitioning action by the customer. Frequently, there will be many thousands of these "push" requisitions originated by activities within the U.S. supply system for a single FMS case. As indicated in paragraph 2111, it is extremely important that the customer record and begin monitoring "push" requisitions as soon as initial status information is received.

2343

RECOGNIZING
"PUSH"
REQUISITIONS

MILSTRIP documents applicable to "Push" requisitions can easily be recognized by looking at the "Serial Number" portion of the "Document Number," card columns 40 through 43 on DD Form 1348M. For "Push" requisitions, these spaces will contain a number from 5000 to 9999.

MILSTRIP documents applicable to "Pull" requisitions will contain a serial number from 0001 to 4999 in these spaces.

- . When specifically authorized by NAVILCO, a combination of numbers and letters may be entered in the "Serial Number" of either "Push" or "Pull" requisitions.

Similarly, the MILSTRIP status code (in card columns 65 and 66 of DD Form 1348M) indicating that the requisitioned item is being supplied is "BU"

2343

(Continued)

for "Push" requisitions, while it is "BW" for "Pull" requisitions. Thus, the presence of the letters "BU" in card columns 65 and 66 of MILSTRIP status cards provides a second means for recognizing "Push" requisitions.

2344

PLANNING FOR
RECEIPT OF "PUSH"
MATERIAL

In addition to being prepared and alert to receive, record, and monitor the heavy volume of documents associated with "push" requisitions, the customer country should also plan for the receipt of the material which has been ordered by the requisitions. This planning must include:

- . Preparation for customs clearance
- . Transportation from the port of entry to the location in the customer country where material will be stored
- . Preparation of warehouse space to store the material
- . Protection of material against damage and loss during transit and while in storage
- . Use of an accurate location system to ensure that material is not misplaced.

This planning is especially important during the introduction and early operational periods of weapon systems or equipment.

2345

IMPORTANCE
OF KEEPING
USAGE DATA

It is equally important that the customer keep careful records of how frequently each item is issued from stock, in what quantity the item is issued, and the purpose for which the issued items are used. This information, called "usage data," will enable the customer country to analyze its experience in using the system or equipment.

2345

(Continued)

From this analysis, future requirements for the item can be predicted more accurately. Using these predictions, the customer country will know when to initiate requisitions for replenishment of material originally provided under "push" requisitions. Careful analysis of usage data can also:

- . Permit adjustment of stock levels to reflect the operating and maintenance practices of the customer country
- . Assist in identifying potential changes in operating and maintenance practices, enabling the customer to make more efficient use of the system or equipment.

2350

"PUSH"
REQUISITIONS
FOR SERVICES

This chapter has concentrated on the requisitioning process for material. However, there are occasions when customers will require services of some type. However, the FMS customer cannot obtain services by initiating a "pull" requisition in the same manner as he might requisition material.

In order to obtain services, they must be included as part of an FMS case. Based on this, the appropriate U.S. agency will originate "push" requisitions to furnish the necessary services to the FMS customer. In some instances, there will be an FMS case which is limited exclusively to the furnishing of services. Examples of this are cases bearing designators "GAA" through "GZZ," which denote Technical or Engineering Services. In other instances, the furnishing of services may be included as part of an FMS case for material, such as major components and equipment (bearing designators in the "LAA" through "LZZ" series) or an FMS case for a ship or aircraft weapon system (bearing designators in the "SAA" through "SZZ" series).

2350

(Continued)

There are also specialized types of services which are specifically covered in other sections of this guide. Training services for customer country personnel are discussed in Chapter 12. Services necessary to overhaul repairable components and spares are covered in Chapter 5.

"Push" requisitions for services can be recognized as follows:

- . The "Stock Number" section (card columns 8 through 22 on DD Form 1348M) will contain a short, general description of the services to be provided.
- . The "Unit of Issue" section (card columns 23 and 24 on DD Form 1348M) will contain the letters "SR."
- . The entry in the "Quantity" section (card columns 25 through 29 on DD Form 1348M) will be "000000."

2360

REQUISITIONING
PUBLICATIONS

Although publications are a type of material, the customer should be aware of some special conditions which apply only to the requisitioning process for publications.

Paragraph 2256 provides an explanation of the stock numbers associated with publications and forms. NAVSUP Publication 2002 is the source for identifying a publication or form stock number.

When the desired publication can be identified to a stock number, the customer country shall prepare a requisition in accordance with the instructions provided in paragraph 2230 and Figure 2-10. Document identifier A04 will be entered in card columns 1-3 in lieu of A01.

2360

(Continued)

Chapter 6 will include coverage of publications (and other material) which must be protected from unauthorized disclosure. This is called "classified information" (or "classified material").

2361

DOCUMENT NUMBERS
FOR CHANGES TO
BASIC PUBLICATIONS

In response to a requisition prepared in this manner, customers will first receive the basic publication and all changes which are in effect up until the shipment date. The Navy Publications and Forms Center (NPFC) will prepare and forward with the shipment a DD Form 1348-1 for the basic publication and each effective change at the time of issue. MILSTRIP documents accompanying the initial shipment will bear an identical "Document Number" to that shown in card columns 30 through 43 (blocks 9 through 12) of the original requisition. Except card column 44 (Demand/Suffix) will be blank for the basic publication.

Each change or revision which is forwarded at the time the basic publication is furnished will be accompanied by MILSTRIP documents showing the "Document Number" of the original requisition in card columns 30 through 43. The "Document Number" will be followed by a "Suffix Code" in card column 44. A different "Suffix Code" will be assigned to each change forwarded with the basic publication. The customer country will be charged only for material where card column 44 is blank.

2362

REQUISITIONING
CHANGES SEPARATELY

If changes are desired without the basic publication, they may be requisitioned separately. However, an individual MILSTRIP requisition must be prepared for each specific change desired. Each change is assigned its own stock number. These stock numbers are shown in the Navy Stock List of Publications and Forms, NAVSUP Publication 2002. Customers must be very careful to use the correct stock number of the changes and not the stock number of the basic publication. Basic publications and changes can be identified in NAVSUP Publication 2002 under the B/C or BC column.

2363

REQUESTING
AUTOMATIC
DISTRIBUTION OF
CHANGES AND
REVISIONS WITH
THE BASIC
PUBLICATION

Another characteristic of publications which is different from most other material is that revisions or changes to the basic publications are often issued from time to time after the basic publications are published. It is important that the customer receive these revisions and changes to ensure that publications in use are always up to date.

If they wish, customers may arrange to have changes and revisions sent to them automatically. This is most conveniently accomplished at the same time, and using the same requisition which originally orders the basic publications. To do this, a requisition for the basic publication is prepared in the usual manner with the following exceptions.

- . Enter the characters "A05" in the Document Identifier" sections, card columns 1 through 3 on DD Form 1348. Since exception data will be required on this requisition, the requisition must be mailed to NAVILCO.
- . Enter the words "Request Automatic Distribution" in the remarks section of the DD 1348; blocks L through V.

Subsequent changes and revisions will then be furnished to the freight forwarder identified in card column 46 and "marked for" the in-country destination as indicated in card column 33.

2364

REQUESTING AUTO-
MATIC DISTRIBUTION
OF CHANGES AND
REVISIONS WITHOUT
THE BASIC PUBLI-
CATION

There may be instances when only automatic distribution of changes and revisions are required. Caution should be exercised when requesting automatic distribution in this manner. Prior to initiating the request, customers should ensure that all existing changes and revisions are in their possession.

2364

(Continued)

This type of request should be made in a letter addressed to NAVILCO. The letter should include:

- . Title of the publication
- . Stock number of the publication
- . Quantity desired
- . Freight forwarded address which is consistent with the MAPAD, DOD 5105.38D
- . An appropriate FMS case for funding the requirement.

2365

IDENTIFICATION
OF PUBLICATION
CHANGES AND
REVISIONS UNDER
AUTOMATIC
DISTRIBUTION

Prior notification of a change or a revision to a publication will not be provided. Additionally, the DD 1348-1 which accompanies initial distribution will not be provided for automatic distribution. All identifying information will be included in the shipping label affixed to the exterior packaging. Not all automatic distributions will be identified to a MILSTRIP document. Billings for automatic distribution will be made against the most current FMS case designated for publication support.

It is of utmost importance that a customer advise NAVILCO of any changes of information included on automatic distribution files. This includes changes in quantities and shipping instructions.

2370

REQUISITIONING
ACTIONS WHICH
SHOULD BE TAKEN
OR AVOIDED

Paragraph 2371, below, reemphasizes actions which the customer should take to ensure efficient, accurate, and speedy processing of FMS requisitions and material by the U.S. supply system. Paragraph 2372 reemphasizes actions which the customer should avoid to prevent delay or error in FMS requisition and material processing.

2371

FMS REQUISITIONING
"DOs" -- ACTIONS
WHICH SHOULD BE
TAKEN

In preparing and transmitting FMS requisitions, and other MILSTRIP documents, customers should be careful to:

- . Requisition material using DD Form 1348M in preference to other MILSTRIP forms whenever possible.
- . Transmit requisitions for standard stock material by AUTODIN if possible.
- . Use English whenever plain language (i.e., other than MILSTRIP coding) is used in a requisition.
- . When using DD Form 1348 or DD Form 1348-6, make entries by typewriter if available.
- . Be sure requisitions are legible if they are manually prepared. Printed block letters and numerals should be used, rather than writing. Print numerals as shown below:

Ø (not O), 1 (not I), 2, 3, 4, 5, 6, 7, (not 7), 8, 9.
- . Check stock numbers carefully to be sure they are in NSN rather than FSN format, i.e., 13 characters rather than 11.
- . When ordering non-standard material, provide as much identifying information as is available.
- . Be sure that entries on requisitions are in proper MILSTRIP coding.
- . Be sure that the priority number assigned to a requisition reflects the authorized F/AD and proper UND.

2371

(Continued)

- . Include a price in U.S. dollars and cents on all requisitions. If the correct price is not known, enter an estimated price.
- . Use NAVILCO as the single point of contact within the U.S. supply system for all FMS requisitions submitted to the U.S. Navy.
- . Use SAAC as the single point of contact for FMS financial inquiries.
- . Be sure to use the proper "Unit of Issue" for the item being ordered. Be sure that the "Quantity" ordered is the number of units of issue desired.
- . Use zeros (Ø) as necessary to fill spaces to the left of significant digits in the "Quantity," "Document Number," "Priority," "Required Delivery Date," and "Price" sections of requisitions.
- . Respond promptly to NAVILCO price increase authorization requests.
- . Enter the Julian Date on which the requisition is released for transmission in the "Date" portion of the "Document Number" section of a requisition.
- . Use only numbers from ØØØ1 to 4999 in the "Serial" portion of the "Document Number" section of a requisition.

2372

FMS REQUISITIONING In preparing and transmitting FMS
"DON'Ts" -- ACTIONS requisitions, and other MILSTRIP docu-
WHICH SHOULD BE ments, customers must be careful to
AVOIDED avoid the actions listed below.

- . Do not duplicate the "Docu-
 ment Number" assigned to a
 requisition.
- . Do not requisition material
 unless it is authorized, either
 in specific or general terms,
 under an active FMS case.
- . Do not requisition items which
 are available from normal com-
 mercial sources.
- . Do not attempt to transmit DD
 Form 1348-6 with information
 in the "Remarks" section by
 AUTODIN. Instead, use mail.

REFERENCES FOR CHAPTER 2

Cataloging Handbook--H4, Federal Supply Code for Manufacturers, United States and Canada

Defense Supply Agency (Defense Logistic Services Center, Battle Creek, Michigan) (NSN 0581 LP 004 1709)

Introduction to Federal Supply Catalogs and Related Publications

Naval Supply Systems Command (NAVSUP) Publication 4000 (NSN 0588 LP 411 2000)

Management List - Navy (ML-N)

Naval Supply Systems Command (NAVSUP) Publication 4100 (NSN 0588 LP 411 1000)

Military Assistance Program Address Directory (MAPAD)

Department of Defense (DOD) Publication 5105.38D (NSN 0526 LP 510 5430)

MILSTRIP/MILSTRAP Operating Procedures Manual

Naval Supply Systems Command (NAVSUP) Publication 437 (NSN 0530 LP 170 0083)

Navy Stock List of Publications and Forms

Naval Supply Systems Command (NAVSUP) Publication 2002 (NSN 0535 LP 004 0100)

Uniform Material Movement and Issue Priority System (UMMIPS)

Department of Defense Instruction (DODINST) 4410.6

Uniform Material Movement and Issue Priority System (UMMIPS)

Chief of Naval Operations Instruction (OPNAVINST) 4614.1

CHAPTER 3. DIRECT REQUISITIONING PROCEDURES (DRP)

CHAPTER 3. DIRECT REQUISITIONING PROCEDURES (DRP)

T A B L E O F C O N T E N T S

	<u>Page Number</u>
3100 SECTION A--DESCRIPTION	3-1
3110 Background	3-1
3120 Description of Direct Requisitioning	3-1
3121 Why DRP Is Important	3-2
3122 Advantages of DRP	3-2
3130 Restrictions and Limitations Under DRP	3-3
3131 Restricted Categories of Material	3-4
3140 Pricing Policy for FMS Material	3-10
3141 Standard Items	3-10
3142 Non-Standard Items	3-13
3150 Pricing DRP Requisitions	3-13
3151 Criteria for Referral of Price Increases to the Customer	3-13
3160 Summary	3-14
3200 SECTION B--PROCEDURES FOR DIRECT REQUISITIONING	3-17
3210 Authority for Direct Requisitioning	3-17
3211 Requisition Processing Limitations Under DRP	3-17
3220 Exceptions: Material Not Authorized for Requisitioning Under DRP	3-17
3221 Commercial-Type Items	3-18
3222 Classified Publications and Material	3-18
3223 Requests for Waiver	3-19
3230 Requisition Format	3-19
3240 Description of MILSTRIP Information Elements	3-20
3250 Method of Submission	3-20
3260 Customer Follow-Up	3-20
3270 Change of Priority	3-20
3280 DRP Billing Procedures	3-20

	<u>Page Number</u>
3300 SECTION C--AREAS OF SPECIAL INTEREST	3-23
3310 Automatic Distribution of Technical Manual Changes Under DRP	3-23
3320 Referral of Price Increases to Customers: Importance of a Prompt Response	3-23
3321 Ways to Limit the Need for Price Increase Referrals	3-24
3330 Other Areas of Special Interest	3-25
REFERENCES FOR CHAPTER 3	3-26

INDEX OF FIGURES

		<u>Page Number</u>
3-1	Categories of Designated Commercial-Type Items Not Authorized Under Direct Requisitioning Procedures	3-5
3-2	Navy Material Cognizance Symbols Restricted From Use Under Direct Requisition	3-11
3-3	Criteria for Referral of Price Increases to the Customer	3-12

CHAPTER 3. DIRECT REQUISITIONING PROCEDURES (DRP)

3100 SECTION A--DESCRIPTION

3110 It is the desire of the U.S. Navy to expedite supply action on certain "common use" items for which the FMS customer will have a recurring need. Included in these broad categories of common use items are unclassified spares, repair parts, minor components, training films, and publications. Whenever such material is required by the foreign customer, special arrangements can be made to fill these requirements through use of Direct Requisitioning Procedures (DRP).

BACKGROUND

This chapter describes Direct Requisitioning Procedures which are authorized for use by FMS customers. Chapter 3 supplements the general guidelines and procedures in Chapter 2 for processing MILSTRIP requisitions. The instructions and procedures included in Chapter 3 apply specifically to direct requisitioning. However, in most instances, the detailed procedures for preparation and processing of MILSTRIP requisitioning under DRP are identical to those prescribed in Chapter 2 for all other FMS requisitions. Therefore, much of the procedural content of Chapter 2 remains applicable for use under DRP, and Chapter 3 should be used in combination with Chapter 2.

3120 Under the DRP concept, separate FMS cases for direct requisitioning are authorized and established annually by the U.S. Chief of Naval Operations (CNO). A separate Letter of Offer and Acceptance, DD Form 1513, is required for each DRP case to be used by a customer country during a given fiscal year.

DESCRIPTION
OF DIRECT
REQUISITIONING

3120

(Continued)

The DD Form 1513 for DRP cases does not list or describe any specific line items or material to be furnished. Instead, the Offer and Acceptance, when executed by the customer, serves as his annual monetary limitation. It establishes a "blanket" authority, within the funding limitation, for requisitioning DRP requirements throughout the year.

Upon acceptance of the DRP case by the customer, MILSTRIP requisitions (i.e., "pull" requisitions prepared by the customer) and bearing DRP case identifiers, may be submitted for supply action director to NAVILCO.

DRP cases are not limited to support of a specific weapon system or major end item. Instead, DRP provides opportunity to the customer for requisitioning a variety of different items required to support one or more weapons systems. For example, all U.S. Navy publications required for any weapon system being procured by a customer country may be requisitioned under a single DRP case for publications.

3121

WHY DRP IS
IMPORTANT

Direct requisitioning is important to the customer because it expedites supply action and greatly simplifies the requisitioning and ordering process. DRP is important to the U.S. Navy because it permits better support and service to the foreign customer at less cost, in terms of the time and overall supply effort involved.

3122

ADVANTAGES
OF DRP

A number of important advantages can result from direct requisitioning, both to the foreign customer and the U.S. Navy. Some of these advantages of DRP are shown here:

- . It provides for supply to the FMS customer of a variety of different items, within broad categories of materials.

3122

(Continued)

- . It eliminates the unnecessary administrative burden to the customer of requiring separate cases for different articles or services, under each weapon system supported.
- . DRP enables the foreign customer to submit MILSTRIP requisitions directly to NAVILCO, using AUTODIN where available.
- . It permits rapid processing of DRP requisitions at NAVILCO, directly into the computer, thus avoiding delays in document preparation and transfer of data into required ADP format.
- . It permits verification of data by the computer, and results in an overall speedup of the entire supply system processing of DRP requisitions.
- . It reduces error rates by eliminating manual processing of DRP requisitions.
- . The administrative lag in requisition processing is reduced, and delivery lead times are improved.

3130

RESTRICTIONS
AND LIMITATIONS
UNDER DRP

Requisitions submitted under DRP are limited to the following general categories of unclassified material:

- . Spares
- . Repair Parts
- . Minor Components
- . Training Films
- . Publications.

3131

RESTRICTED
CATEGORIES
OF MATERIAL

Under DRP cases, certain restriction in requisitioning are imposed. The following criteria identify the types of materials which may not be requisitioned by FMS customers under direct requisitioning:

- . Designated Commercial-Type Items, which must be obtained direct from available commercial sources. Figure 3-1 identifies the commercial-type items which fall under this restriction.
- . Classified Materials and Publications, not specifically authorized for release by the Chief of Naval Operations (CNO).

NOTE: The terms "Classified Material" and "Classified Publications" are explained in Chapter 6. The source for identifying classification of material is the ML-N. The source for identifying the classification of publications is NAVSUP Publication 2002.

- . Technical Support Services, including Quality Control Services/ Inspection/Audit.
- . Initial Provisioning of Spare and Repair Parts, applicable to all end items requiring such support.
- . Ammunition and Explosive Items, including torpedoes, mines, warheads, and including all hand guns and small arms.

FIGURE 3-1
Categories of Designated Commercial
Type Items Not Authorized Under
Direct Requisitioning Procedures

TABLE OF DESIGNATED COMMERCIAL-TYPE ITEMS		
Federal Stock Group	Federal Stock Class	Material Description
26	10	Tires and Tubes Pneumatic
26	30	Tires Solid and Cushioned
26	40	Tire Rebuild and Tire and Tube Repair Material
35	50	Vending and Coin Operated Machines
35	90	Misc. Service and Trade Equipment
37	ALL	Agricultural Machinery and Equipment
39	90	Misc. Materials Handling Equipment
41	20	Air Conditioning Equipment
41	41	Fans Air Circulators and Blower Equipment
45	ALL	Plumbing, Heating and Sanitary Equipment
55	ALL	Lumber, Millwork, Plywood and Veneer
56	ALL	Construction and Building Materials
65	05	Drugs, Biologicals and Official Reagents
65	08	Medicated Cosmetics and Toiletries
65	10	Surgical Dressing Materials
65	15	Medical and Surgical Instruments

Prices for non-standard items should be estimated using the most recent invoice price available for the item, or using price information from another source document. A 20-percent annual increase should be added to the unit price for each year since the date of the invoice or other source document.

3151

CRITERIA FOR
REFERRAL OF PRICE
INCREASES TO THE
CUSTOMER

Figure 3-2 shows the price increase criteria used to determine whether purchase action may be taken by the U.S. supply system without specific authorization from the customer.

Application of these criteria is demonstrated in the following example:

- . Example 1. The customer requisition is for eight units of a standard stock item. The estimated unit price entered in the requisition by the customer is \$16.00 each. The actual current standard unit price is \$13.00 each. The actual purchase price is \$40.00 each. Because this is a requisition for a standard stock item, the requisition value is \$104.00 (8 units x \$13.00 each = \$104.00). Therefore, the purchase price exceeds the requisition value by \$216.00 (\$320.00 - \$104.00 = \$216.00).

Since the requisition value (\$104.00) is \$100 or more, but less than \$500, the "50 percent or \$200, whichever is greater" criterion from the lower portion of Figure 3-2 applies. The purchase would not be made without referral for specific authorization by the customer, since the increase is more than \$200.

FIGURE 3-1(3)
Categories of Designated Commercial
Type Items Not Authorized Under
Direct Requisitioning Procedures

TABLE OF DESIGNATED COMMERCIAL-TYPE ITEMS		
Federal Stock Group	Federal Stock Class	Material Description
65	20	Dental Instruments, Equipment, and Supplies
65	25	X-Ray Equipment and Supplies, Medical, Dental and Veterinary
65	30	Hospital Furniture, Equipment, Utensils and Supplies
65	32	Hospital and Surgical Clothing and Textile Special Purpose Items
65	49	Opticians' Instruments, Equipment and Supplies
65	45	Medical Sets, Kits and Outfits
66	40	Laboratory Equipment and Supplies
66	45	Time Measuring Instruments
66	50	Optical Instruments
67	10	Cameras, Motion Picture
67	20	Cameras, Still Picture
67	30	Photographic Projection Equipment
67	40	Photo Developing and Finishing Equipment
67	50	Photographic Supplies
68	ALL	Chemicals and Chemical Products
71	ALL	Furniture
72	ALL	Household, Commercial Furnishings and Appliances
74	ALL	Office Machines, Visible Record Equipment and Data Processing Equipment
75	ALL	Office Supplies and Devices
Except 7540		Standard Forms
77	ALL	Musical Instruments, Phonographs and Home-type Radios
78	ALL	Recreational and Athletic Equipment
78	ALL	Cleaning Equipment and Supplies
Except 7930		Cleaning and Polishing Compounds and Preparations
80	ALL	Brushes, Paints, Sealers and Adhesives

FIGURE 3-1(4)
Categories of Designated Commercial
Type Items Not Authorized Under
Direct Requisitioning Procedures

TABLE OF DESIGNATED COMMERCIAL-TYPE ITEMS		
Federal Stock Group	Federal Stock Class	Material Description
Except 8030		Preservatives and Sealing Compounds
Except 8040		Adhesives
81	05	Bags and Sacks
81	15	Boxes, Cartons and Crates
81	35	Packaging and Packing Bulk Material
83	ALL	Textiles Only
84	ALL	Clothing Only
85	ALL	Toiletries
87	ALL	Agricultural Supplies
88	ALL	Live Animals
89	ALL	Subsistence
Except 8970		Composite Food Packages
91	ALL	Fuels, Lubricants, Oils
93	10	Paper and Paperboard
93	20	Rubber Fabricated Materials
93	30	Plastic Fabricated Materials
93	40	Glass Fabricated Materials
93	50	Refractories and Fire Surfacing Materials
93	90	Misc. Fabricated Non-Metallic Materials
94	ALL	Non-Mettalic Crude Materials
95	05	Wire, Non-Electrical, Iron and Steel
95	10	Bars and Rods, Iron and Steel
95	15	Plate, Sheet and Strip, Iron and Steel
95	20	Structural Shapes, Iron and Steel
95	25	Wire, Non-Electrical, Non-Ferrous Base Metal
95	30	Bars and Rods, Non-Ferrous Base Metal
95	35	Plate, Sheet, Strip, and Foil: Non-Ferrous Base Metal

FIGURE 3-1(5)
Categories of Designated Commercial
Type Items Not Authorized Under
Direct Requisitioning Procedures

TABLE OF DESIGNATED COMMERCIAL-TYPE ITEMS		
Federal Stock Group	Federal Stock Class	Material Description
95	40	Structural Shapes, Non-Ferrous Base Metal
95	45	Plate, Sheet, Strip, Foil and Wire: Precious Metal
96	ALL	Ores, Minerals and Their Primary Products
99 Except 9930	ALL	Miscellaneous Materials; Cemeterial and Mortuary Equipment and Supplies

3131

(Continued)

Weapon Systems, Major End Items and Major Components, including aircraft and associated major support equipment, ships, boats, craft, vehicles, missiles and missile equipment, radar and sonar.

NOTE: The above includes all repairable end items which have been assigned identification numbers and are supported by Allowance Parts Lists (APL's) and Component Identification (CID).

Figure 3-2 lists material cognizance codes which have been restricted from DRP. The materials assigned to these categories meet the criteria for restriction under DRP. In addition to those listed, a small percentage of materials applicable to material cognizance code 4G are APL-supported. Requisitions for those materials will be returned to the customer.

3140

PRICING POLICY
FOR FMS
MATERIAL

All prices for FMS material which are ultimately charged to a customer by the U.S. Government include an FMS administrative charge.

For a detailed description of the FMS administrative charge and additional costs which apply to FMS transactions, see Chapter 8.

3141

STANDARD ITEMS

Standard items (i.e., those items which are assigned a National Stock Number (NSN)) will be supplied to the customer at the latest price when available from stock. When a standard item is not available from stock, purchase action to procure the desired item from an available commercial source is taken automatically by the inventory manager. However, the purchase price must not exceed the latest standard price by more than the amounts shown in Figure 3-3.

FIGURE 3-2
Navy Material Cognizance Symbols
Restricted From Use
Under Direct Requisition

TABLE OF USN MATERIAL COGNIZANCE SYMBOLS RESTRICTED FROM USE UNDER DRP		
Cognizance Symbol	Inventory Manager	Material Description
6A	SPCC	Fleet Ballistic Missile-Related Ordnance Equipment
2B	NAVSUP	Excess Material and Dehumidifying Equipment
2C	NAVFAC	Major Construction and Civil Engineering Equipment
2F	SPCC	Conventional Air Ammunition
4E	SPCC	Major Aviation Ordnance
6E	SPCC	Air Missile Repair Parts
8E	SPCC	Air Launched Missile Material
2F	NAVSEA	Major Shipboard Electronic Equipment
2J	NAVSEA	Major Ordnance Equipment
4J	NAVSEA	Metrology Equipment
2M	NAVAIR	Ground Vehicles/Cryogenic Facilities
4M	NAVAIR	Meteorological Equipment
8M	NAVAIR	Aeronautical Launch and Recovery Systems
2O	NTEC	Training Device Equipment
9O	USMC	Consumable USMC Controlled Materials
4R	ASO	Repairable Catapult Arresting Gear and Landing Aid Material
8R	NAVAIR	Major Aeronautical Systems and Equipment
2S	NAVSEA	Major Hull, Mechanical and Electrical Equipment
2T	SPCC	Conventional Ammunition
4T	SPCC	Torpedoes and Components
6T	NMBF	Mines and Underwater Ordnance
8T	NAVS	Surface Launched Guided Missile Components
2V	NAVAIR	Aeronautical Support Equipment and Sonobuoys
4V	NAVAIR	Aircraft Engines
6V	NAVAIR	Technical Directive Aeronautical Change Kits
2Z	NAVELEX	Major Electronic Equipment
6U	SPCC	Surface Weapons Support Items

FIGURE 3-3
Criteria for Referral
of Price Increases to the Customer

IF THE REQUISITION VALUE* IS:

Less than \$199	\$200 - \$499	\$500 - \$999	\$1,000 - \$4,999	\$5,000 - \$9,999	\$10,000 and above
↓	↓	↓	↓	↓	↓
Then the U.S. supply system may take purchase action without specific price increase authorization from the customer country if the purchase price** does not exceed the requisition value by more than:					
↓	↓	↓	↓	↓	↓
100% or \$100, whichever is greater	80% or \$200, whichever is greater	60% or \$500, whichever is greater	40% or \$1,000, whichever is greater	30% or \$2,000, whichever is greater	10% or \$5,000, whichever is greater

* *Requisition Value* is defined as follows:

- (For standard stock) the current standard unit price multiplied by the number of units being ordered.
- (For non-standard material) the estimated unit price as originally entered on the requisition multiplied by the number of units being ordered.

***Purchase Price* is defined as the unit price at which the item may be purchased from a commercial source multiplied by the number of units being ordered.

3141 Specific authorization by the customer
(Continued) to NAVILCO is required before purchase
can be made at a price higher than the
limitations shown in Figure 3-3.

3142 Non-standard items, by definition,
NON-STANDARD are those items which have not been
ITEMS assigned a National Stock Number (NSN),
and which are not carried in centrally
managed inventories. Non-standard items
are purchased for the customer whenever
the purchase price does not exceed the
extended price on the requisition by more
than the amounts shown in Figure 3-3. As
in the case of standard items, specific
authorization by the customer to NAVILCO
is required before procurement can be
made at the increased price.

3150 Estimated prices for standard items
PRICING DRP identified by National Stock Numbers
REQUISITIONS (NSNs) can be obtained from the Manage-
ment List-Navy (ML-N). Due to two fac-
tors, normal price escalations and the
probability that the item will be pro-
cured, a price escalation factor of at
least 20 percent should be added to the
standard price appearing in the ML-N.
For example, if the standard price listed
in the ML-N is \$100, the price entered in
the DRP requisition should be at least
\$120.

Prices for non-standard items
should be estimated using the most
recent invoice price available for the
item, or using price information from
another source document. A 20-percent
annual increase should be added to the
unit price for each year since the date
of the invoice or other source document.

3151 Figure 3-3 shows the price increase
CRITERIA FOR criteria used to determine whether pur-
REFERRAL OF PRICE chase action may be taken by the U.S.
INCREASES TO THE supply system without specific authori-
CUSTOMER zation from the customer.

Application of these criteria is
demonstrated in the following example:

3151

(Continued)

Example 1. The customer requisition is for eight units of a standard stock item. The estimated unit price entered in the requisition by the customer is \$26.00 each. The actual current standard unit price is \$29.00 each. The actual purchase price is \$56.00 each. Because this is a requisition for a standard stock item, the requisition value is \$232.00 (8 units x \$29.00 each = \$232.00). Therefore, the purchase price exceeds the requisition value by \$216.00 (\$448.00 - \$232.00 = \$216.00).

Since the requisition value (\$232.00) is \$200 or more, but less than \$500, the "80 percent or \$200, whichever is greater," criterion from the lower portion of Figure 3-3 applies. The purchase would not be made without referral for specific authorization by the customer, since the increase is more than \$200.

3160

SUMMARY

This section has provided a general description of Direct Requisitioning, highlighting the advantages and limitations which apply. It has shown that DRI is a practical and useful method for the foreign customer in processing "pull" requisitions to NAVILCO for many common use, unclassified items. The restrictions which apply under DRP have been briefly noted, and the pricing policy for requisitions which result in purchase action is explained.

The following section of Chapter 3 provides special instructions for the customer in preparing and processing MILSTRIP requisitions under DRP. To the extent that procedures for processing DRP requisitions are identical with those for regular MILSTRIP requisitions,

3160

(Continued)

already covered in detail in Section B
of Chapter 2, no attempt is made to
repeat these procedures in this chapter.

3200 SECTION B--PROCEDURES FOR DIRECT
REQUISITIONING

3210 As indicated in Chapter 2, the
authority for each requisition submitted
under the FMS program is an active FMS
case covered by a signed DD Form 1513,
AUTHORITY Offer and Acceptance.
DIRECT
REQUISITIONING

The procedures in this chapter apply
to those FMS cases designated by the Chief
of Naval Operations (CNO) as Direct
Requisitioning Procedure (DRP) cases on
the DD Form 1513, and funded under Type
of Assistance 4 as dependable undertaking.

The requisitioning format shown
here for DRP requisitions is the same
MILSTRIP format described in Chapter 2
for general requisitioning use by all
FMS customers.

3211 The DD Form 1513 specifies the
authorized period during which a cus-
tomer country may submit requisitions on
a DRP case. This period is generally
the fiscal year for which the case is
established. Commencing in 1976, each
fiscal year begins on 1 October and con-
tinues until 30 September of the follow-
ing calendar year. (Prior fiscal years
for the U.S. Government started on 1
July and continued through 30 June of
the next year.)

NAVILCO will accept DRP requisitions
for processing 1 month beyond the end of
a fiscal year (until 31 October), to
allow for in-transit time from the cus-
tomer country.

3220 Paragraphs 3130 and 3131 cited the
general restrictions and limitations
which apply for requisitions submitted
under DRP. The following paragraphs
explain more fully some of these excep-
tion categories not authorized for
EXCEPTIONS:
MATERIAL NOT
AUTHORIZED FOR
REQUISITIONING
UNDER DRP

3221

COMMERCIAL-
TYPE ITEMS

"Commercial-type items" are those not normally considered as "defense articles." Such things as lumber, plumbing supplies, office machines, brushes, paints, and similar common use, non-technical items which are normally available from established commercial sources in most customer countries, fall under this restricted category. A full listing of classes of commercial-type items is provided in Figure 3-1.

It is not the intent of the Department of Defense to sell commercial-type items under the FMS program. Therefore, commercial-type items cannot be sold to FMS customers without prior approval of the U.S. Secretary of Defense (SECDEF) or his designated representative.

Should required commercial-type items not be available from customer country resources, a request for their purchase through FMS can be made to the Director, Defense Security Assistance Agency via the Chief of Naval Operations (OP-63), Washington, D.C. If approved, the customer can requisition the items under DRP using MILSTRIP Advice Code 3B. Use of the DOD-approved code in card columns 65-66 on the DD Form 1348M, or in block 22 on DD Form 1348, constitutes country certification of the non-availability of the item in-country and also denotes DOD approval for the sale.

3222

CLASSIFIED
PUBLICATIONS
AND MATERIAL

Classified publications and material cannot be released to any foreign government or its representatives unless specific authority for such release and disclosure is granted by the Chief of Naval Operations. Chapter 6 provides detailed information for the customer on the policies and procedures governing classified material requests.

3222

(Continued)

Classified publications and material may be ordered under DRP, provided prior approval for their release to the requesting government has been obtained from the Chief of Naval Operations. Such approval may be obtained by submitting a list of the required publications, individual components or repair parts to CNO, indicating the customer's desire to order these items under DRP. The major item or weapons system to which the components, repair parts or publications apply should be indicated, and the reason cited concerning the intended use of the listed item.

After review of the list by CNO, it will be returned to the customer, with a copy to NAVILCO, indicating those repair parts and publications items approved for release and which may be ordered via DRP.

All requisitions for approved classified items will be submitted to NAVILCO using Document Identifier A05, with the following statement in the Remarks Block: "Item classified; CNO letter (File Number) (Serial Number) (Date), authorized release of this item." If possible, to expedite processing by NAVILCO, a copy of the CNO authorizing letter also should be attached to the requisition.

3223

REQUESTS FOR
WAIVER

All requests made by the customer country to CNO for a waiver in the restrictions on authorized categories of material under DRP cases should include complete supporting justification and rationale. A statement as to whether or not in-country logistics support exists also is needed, where appropriate to the specific request.

3230

REQUISITION
FORMAT

There are three types of requisition forms authorized under MILSTRIP for use on DRP cases:

3230

(Continued)

- . Mechanized Form, using DD Form 1348M in card form
- See paragraphs 2134 and 2221 for detailed description of DD Form 1348M
- . Manual Form, using DD Form 1348 in card form
- See paragraphs 2135 and 2221 for detailed description of DD Form 1348
- . Manual Form, using DD Form 1348-6, Non-FSN Requisition (Manual)
- See paragraphs 2136 and 2222 for detailed description of DD Form 1348-6.

3240

DESCRIPTION OF
MILSTRIP INFORMATION
ELEMENTS

Paragraphs 2251 through 2279 in Chapter 2 describe MILSTRIP information elements.

3250

METHOD OF
SUBMISSION

See paragraphs 2130 through 2137 for detailed instructions on methods of submission and transmission of MILSTRIP requisitions to NAVILCO.

3260

CUSTOMER
FOLLOW-UP

See paragraphs 2161 and 2290 through 2295 for detailed instructions on follow-up action by NAVILCO and customer follow-up procedure.

3270

CHANGE OF
PRIORITY

See paragraphs 2330 through 2332 for detailed instructions and procedure for changing the priority of a requisition.

3280

DRP BILLING
PROCEDURES

Complete information on U.S. Navy billing and collection procedures and reports for FMS transactions is furnished in Chapter 8 of the guide. Section B of Chapter 8 includes detailed procedures, descriptions and examples

3280

(Continued)

which apply to all Dependable Undertaking cases, and Type of Assistance (T/A)4, and includes DRP cases.

See Chapter 8 for detailed information on this important procedural area covering all aspects of DRP billing and collection procedures.

3300

SECTION C--AREAS OF SPECIAL INTEREST

3310

AUTOMATIC
DISTRIBUTION OF
TECHNICAL MANUAL
CHANGES UNDER DRP

Paragraphs 2360 through 2365 provide detailed instructions for requisitioning publications and changes. Automatic distribution of technical publication changes, revisions, amendments and supplements also can be obtained under DRP. Paragraphs 2363 and 2364 contain detailed information and instructions for requesting automatic distribution of publication changes and revisions.

Once established, automatic distribution services provided under a DRP case in a given fiscal year will continue under the customer's DRP cases for following years. DRP cases are only issued for 1 year. NAVILCO must be made aware of the specific DRP case to be charged and advised by the customer of the replacement case on a year-to-year basis.

See paragraphs 2363 and 2364 for additional information on automatic distribution of technical publication changes.

3320

REFERRAL OF
PRICE INCREASES
TO CUSTOMERS:
IMPORTANCE OF
PROMPT RESPONSE

A common difficulty encountered in processing requisitions requiring specific price increase authorization from the customer is the delay involved in making the referral and obtaining the customer decision to accept or reject the increase.

To speed up the processing of these referrals, NAVILCO will normally transmit them to the customer by message which will include the date by which NAVILCO must receive a response from the customer. This response date depends on the expiration date of the commercial supplier's purchase price quotation. The response date will not be a standard number of days after the date of the NAVILCO price increase referral to the customer. It is important that customers

3320

(Continued)

respond, preferably by message, as promptly as possible to NAVILCO price increase referrals. In any case, reply must be received no later than the specified response date.

If the price increase authorization is not received on, or before, the specified response date, the requisition will be canceled. If the material is still required, the customer will have to submit a new requisition for the canceled item. This almost always results in later delivery of material, and often involves an even larger price increase than originally encountered.

3321

WAYS TO LIMIT
THE NEED FOR
PRICE INCREASE
REFERRALS

Even when the customer responds promptly to price increase authorization referrals from NAVILCO, there is always some delay added to processing of the requisition. This delay can be minimized by eliminating the need for a price authorization referral. The following actions will limit the number of price increase referrals which will be required:

. By separate correspondence authorize NAVILCO to apply more liberal criteria than those specified in Figure 3-

For example:

- Instead of "100 percent or \$100, whichever is greater" an absolute value of \$100 might be substituted.
- Instead of "80 percent or \$200, whichever is greater" an absolute value of \$400 might be substituted.
- Instead of "60 percent or \$500, whichever is greater" an absolute value of \$900 might be substituted.

3321

(Continued)

In considering the use of these actions, the customer should remember that:

- Issues of standard stock from supplies on hand are made at the standard unit price, even if the estimated unit price shown on the requisition is much higher
- Purchases of either standard or non-standard material will be made at the lowest price which the U.S. supply system is able to obtain. Even if the estimated unit price in the requisition is higher, the customer will pay only the costs incurred by the U.S. Government.

3330

OTHER AREAS OF
SPECIAL INTEREST

Section C of Chapter 2 covers other areas of special interest to the customer concerning FMS requisitioning. Paragraphs 2310 through 2332 include a wide range of topics which also apply to DRP cases. A review of this portion of the guide by the reader is recommended.

REFERENCES FOR CHAPTER 3

Management List - Navy (ML-N)

Naval Supply Systems Command (NAVSUP) Publication 4100
(NSN 0588 LP 411 1000)

Military Assistance Program Address Directory (MAPAD)

Department of Defense (DOD) Publication 5105.38D (NSN 056
LP 510 5430)

MILSTRIP/MILSTRAP Operating Procedures Manual

Naval Supply Systems Command (NAVSUP) Publication 437
(NSN 0530 LP 170 0083)

Uniform Material Movement and Issue Priority System (UMMIPS)

Department of Defense Instruction (DODINST) 4410.6

Chief of Naval Operations Instruction (OPNAVINST) 4614.1

CHAPTER 4. COOPERATIVE LOGISTICS SUPPLY SUPPORT
ARRANGEMENTS (CLSSA)

CHAPTER 4. COOPERATIVE LOGISTICS SUPPLY SUPPORT
ARRANGEMENTS (CLSSA)

T A B L E O F C O N T E N T S

	<u>Page Number</u>
4100 SECTION A--DESCRIPTION	4-1
4110 Purpose	4-1
4120 Authority for CLSSA	4-1
4130 In-country Requirements	4-2
4140 Equity List	4-2
4150 U.S. Government Augmentation	4-3
4160 Consumption/Drawdown	4-3
4200 SECTION B--PROCEDURES	4-5
4210 FMSO I	4-5
4220 FMSO II	4-5
4221 Storage Charges	4-6
4222 Military Standard Requisitioning and Issue Procedures (MILSTRIP)	4-6
4223 Uniform Material Movement and Issue Priority System (UMMIPS)	4-6
4224 Pricing	4-6
4225 Exceeding Equity	4-6
4226 Excessive Quantities	4-7
4230 Renegotiation of the FMSO I	4-7
4240 Termination of a CLSSA	4-8
REFERENCES FOR CHAPTER 4	4-9

CHAPTER 4. COOPERATIVE LOGISTICS SUPPLY SUPPORT
ARRANGEMENTS (CLSSA)

4100

SECTION A--DESCRIPTION

4110

PURPOSE

Cooperative Logistics Supply Support Arrangements (CLSSA) are normally the most effective means of providing for the replenishment of supply support associated with a weapon system purchased under Foreign Military Sales. An investment is made in the form of cash to support the necessary increase of on-hand stocks, and in the form of a dependable undertaking to support the establishment of pipeline stocks. The U.S. Government then agrees to provide support from U.S. Government stocks on an equal basis with comparable U.S. Forces assigned the same mission.

CLSSA is limited to weapon systems in by U.S. forces. Support is limited to centrally managed and centrally stocked stock-numbered items. Ordnance, major end items, commercial consumable, classified items and non-standard items are not included under CLSSA arrangements. CLSSA is limited to peacetime support.

4120

AUTHORITY FOR
CLSSA

A CLSSA consists of two types of FMS cases. A Foreign Military Sales Order I (FMSO I) and a Foreign Military Sales Order II (FMSO II). The FMSO I is the investment case. The FMSO II pays for material as it is drawn out of the system. Each case also includes requisite administrative and accessorial estimates. FMSO I cases are normally issued once and adjusted based upon actual customer demand. FMSO II cases are normally issued annually.

4130

IN-COUNTRY
REQUIREMENTS

A prerequisite for CLSSA is assurance from the prospective participant that adequate inventories already exist in the customer's supply system. Adequate is usually defined as a minimum of 12 months. These inventories are purchased under arrangements other than CLSSA. In most instances this requirement is accomplished through the initial support package provided with the purchase of the weapon system.

The reason for this requirement is to ensure that CLSSA is used only for replenishment of consumables and replacement of repairable components beyond repair. CLSSA is not intended for either initial support or augmentation of in-country stocks which may be required because of an increase in levels due to change of mission or maintenance philosophy or introduction of additional end items. These requirements must be satisfied through FMS cases other than CLSSA or by a means exclusive of FMS.

4140

EQUITY LIST

The basis of the FMSO I case is an equity list. The equity list is a financial computation of the prospective participant's estimated annual demand (EAD) for spare and repair parts. This 12-month dollar value is factored into 5/12 and 12/12 of the EAD. The former, 5/12 EAD, represents the estimated dollars required to increase U.S. Government on-hand inventories. The latter, 12/12 EAD, represents the estimated dollars required to support on-hand levels through continuous purchases of material. This value is the on-order value.

NOTE: The 5/12 and 12/12 factors may vary depending upon the procurement lead time of the applicable weapon system.

4150

U.S. GOVERNMENT
AUGMENTATION

When the FMSO I case is signed and executed, U.S. Government inventory managers take actions to increase on-hand and on-order stocks supporting the CLSSA. These stocks will be an integral part of the U.S. Government supply system and will not be segregated or accounted for separately. The augmentation period varies according to the weapons system. An average period is 18 months. The FMSO II consumption case is not implemented until the given augmentation period has elapsed.

4160

CONSUMPTION/
DRAWDOWN

When augmentation of U.S. inventories is complete, a FMSO II case is implemented. The participating customer may then begin requisitioning. This is done in much the same manner as other "pull" FMS cases. Demands against the FMSO II case are recurring demands. This means that they are included in U.S. Government inventory forecasts. Accordingly, U.S. inventory levels adjust in response to CLSSA demand.

4200

SECTION B--PROCEDURES

4210

FMSO I

Prospective CLSSA participants must initiate a request for a CLSSA with the Chief of Naval Operations. If CLSSA is approved, the appropriate U.S. Navy inventory manager will be tasked to compute an equity list as described in paragraph 4140. These computations are the basis for preparing a DD 1513 Letter of Offer and Acceptance. The FMSO I includes an administrative surcharge of 5 percent of the on-hand value. The on-hand value and applicable administrative surcharge will be billed on a "cash-with-order" basis. Acceptance of the letter of offer constitutes a "dependable undertaking" liability for the on-order value.

4220

FMSO II

As discussed in paragraph 4150, the FMSO II case is not implemented until the required augmentation period (x months) has elapsed. The FMSO II case is a separate DD 1513 Letter of Offer and Acceptance. The value of the FMSO II will be equal to the estimated annual demand on the equity list. The FMSO II case will be closed at the end of each year and a new case will be issued. The FMSO II is not limited to specific quantities of specific items; however, the participant must stay within the range of items applicable to the weapons system(s) for which the CLSSA was established. To reiterate a point previously discussed, the FMSO II case is established for the purpose of replenishing expended consumables and replacing repairables beyond repair. FMSO II cases do not authorize augmentation of stocks, initial outfittings or return and exchange of repairables. Estimated administrative and applicable accessorial charges are also included in the case.

4221

STORAGE
CHARGES

An annual charge of 1.5 percent of the current on-hand value shown in the FMSO I is levied against each FMSO II. This charge is to recover the expense of storing on-hand inventories.

4222

MILITARY STANDARD
REQUISITIONING
AND ISSUE
PROCEDURES
(MILSTRIP)

FMSO II requisitions are prepared in accordance with paragraph 2250. An "R" will be entered in card column 44 indicating a recurring demand. Only materials identified by a National Stock Number (NSN) may be requisitioned. Supply and shipment status will be furnished in the same manner as other "pull" requisitions.

4223

UNIFORM MATERIAL
MOVEMENT AND ISSUE
PRIORITY SYSTEM
(UMMIPS)

Paragraph 2121 discusses Uniform Material Movement and Issue Priority System (UMMIPS) in detail. The priority assignment to CLSSA requisitions must accurately indicate the proper Urgency of Need Designator (UND) within the assigned Force Activity Designator (FAD). Abuse of the UMMIPS system may result in the suspension of CLSSA.

4224

PRICING

Material issued under CLSSA is billed at the current U.S. Government standard price.

4225

EXCEEDING EQUITY

Paragraph 4110 states that support for a CLSSA participant is provided on an equal basis with a comparable U.S. force assigned the same mission. This arrangement is limited by the amount of investment in U.S. inventory. In other words, whenever the value of demands against a FMSO II exceeds the estimated annual demand (EAD) on which the FMSO I is based, then the demands above EAD will be filled under normal FMS issue criteria, i.e., above the reorder point.

4226

EXCESSIVE
QUANTITIES

FMSO II requisitions for quantities in excess of maximum release quantities (MRQ) will be filled to provide the MRQ. The balances will be canceled unless advice code "2L" is used, indicating that the customer is aware that the MRQ is being exceeded. In that case, the MRQ will be filled from available stock and the balance filled from stock above the reorder point or backordered.

4230

RENEGOTIATION
OF FMSO I

An adjustment to the FMSO I investment, on-hand and on-order values may be necessary when actual demands made by the customer under the corresponding FMSO II case exceed the estimated annual demand which was used to compute FMSO I investment. An adjustment in the FMSO I investment may also be necessary whenever the population of the weapon system supported by the CLSSA increases/decreases or whenever the weapon system is significantly updated to a new configuration. Adjustments are also necessary whenever the demand experienced is less than the estimate which was used to compute the FMSO I. Adjustments are made to the investment through a renegotiation of the FMSO I. This action is not normally necessary until at least 2 years of actual FMSO II material demands have been experienced. The renegotiation process will result in an amendment to the FMSO I case which will reflect the adjustment on-hand and on-order dollar values. When the renegotiation process determines that the customer is over invested in U.S. inventories, the customer may either be provided a cash refund, a pro rata share of USN stocks in long supply or a combination of both. Whenever the customer is under invested in U.S. inventories, the DD 1513-1 FMSO I amendment will require additional cash for the deficiency in on-hand investment and additional "dependable undertaking" authority

4230

for the deficiency in on-order investment.

(Continued)

4240

TERMINATION OF
A CLSSA

Each party to COOPLOG may terminate it by giving the other party a minimum of 6 months written notice. However, since CLSSAs are for peacetime support only, no advance notice of termination will be provided in the event of an outbreak of hostilities involving either party to the arrangement.

Upon issuing or receiving notice of a request to terminate CLSSA support, the FMSO I case will be renegotiated to adjust the dollar level of investment to the most recent dollar level of demand. The USN will then prepare and forward a termination register to the foreign customer. The register will list by line item the customer's pro rata share of all quantities on hand and on-order above the level of service requirements which are applicable to the weapon system(s). The customer will be given the opportunity to withdraw these stocks during the period between notification of termination and the termination date by submitting requisitions coded to show nonrecurring demand. On the termination date, the customer will be held liable for all remaining material on-hand and on-order that cannot be absorbed by the military services. The customer will be charged for any remaining on-order quantities and will have the option of liquidating this remaining investment by withdrawing the items or by requesting the USN to dispose of them in his behalf. For material that can be absorbed, the USN will refund the value of material on hand. No refund will be made on the administrative charge. The foreign customer will be provided with the proceeds of any disposal action less the administrative cost of the disposal.

REFERENCES FOR CHAPTER 4

Cooperative Logistics Supply Support Arrangements (CLSSA)

Department of Defense Instruction (DODINST) 2000.8

Military Assistance and Sales Manual

Department of Defense (DOD) Publication 5105.38M

Military Assistance Program Address Directory (MAPAD)

Department of Defense (DOD) Publication 5105.38D
(NSN 0526 LP 510 5430)

CHAPTER 5. PROCESSING REPAIRABLES

CHAPTER 5. PROCESSING REPAIRABLES

T A B L E O F C O N T E N T S

	<u>Page Number</u>
5100 SECTION A--GENERAL	5-1
5110 Description of Repairables	5-1
5111 Scope of U.S. Navy Repairables Program	5-1
5112 Purposes of the FMS Repairables Program	5-2
5113 FMS Repair Services Not Limited to Items Covered by U.S. Navy Repair Programs	5-2
5114 Master Repairable Item List (MRIL)	5-3
5115 The Two Types of FMS Repairable Processing Procedures: "Repair/Exchange" and "Repair/Return"	5-3
5116 Repair and Exchange Procedure	5-4
5117 Return, Repair, and Reshipment Procedures	5-5
5118 Summary of Section A	5-7
5200 SECTION B--PROCEDURES	5-9
5210 Requirement for an FMS Case for Repair Services	5-9
5211 Customs Clearance of Repairables Returned to the United States	5-9
5220 Repair/Exchange Procedures; General	5-10
5221 Repair/Exchange; Steps Which the FMS Customer Should Follow	5-11
5222 Preparation of the Turn-in Document, DD Form 1348-1	5-14
5223 Document Identifier	5-15
5224 Routing Identifier	5-15
5225 Media and Status Code	5-15
5226 Stock Number	5-15
5227 Unit of Issue	5-15
5228 Quantity	5-15
5229 Document Number	5-15
5230 Suffix Code	5-15
5231 Supplementary Address	5-17
5232 Fund Code, Signal Code, Distribution	5-17
5233 Cognizance Symbol	5-19
5234 Project Code	5-19
5235 Priority	5-19

	<u>Page Number</u>
5236	Spaces 60-70 5-19
5237	Space 71 5-19
5238	Space 72 5-19
5239	Space 73 5-19
5240	Unit Price 5-19
5241	Shipped From 5-21
5242	Shipped To 5-21
5243	Material Condition 5-21
5244	Remarks 5-21
5250	Repair/Return Procedures; General 5-23
5251	Steps in the Repair/Return Process 5-23
5252	Letter Request 5-24
5253	Item Number 5-24
5254	Description 5-24
5255	Quantity 5-26
5256	Condition 5-26
5257	Remarks 5-26
5258	Action by U.S. Supply System After Receipt of Repair/Return Request Letter 5-26
5259	Letter Forwarding Material for Repair/ Return 5-26
5260	Cancellation of Repair/Reship Transactions 5-27
5270	Summary 5-27
5300	SECTION C--AREAS OF SPECIAL INTEREST 5-31
5310	Costs of Repair Services 5-31
5311	Repair of Non-Standard Material 5-31
5312	Importance of the Freight Forwarder in the Repair Process 5-32
	REFERENCES FOR CHAPTER 5 5-33

I N D E X O F F I G U R E S

		<u>Page Number</u>
5-1	Sample Letter of Transmittal for FMS Replacement Repairable Requisition	5-12
5-2	DOD Single Line Item Release/Receipt Document, DD Form 1348-1	5-15
5-3	Sample Letter Format for Return, Repair and Reshipment Request	5-25
5-4	Sample Letter Format for Forwarding Return, Repair, and Reshipment Item(s) to a U.S. Designated Overhaul Point	5-28
5-5	Sample Letter Format for Canceling a Return, Repair, and Reshipment Transaction	5-29

CHAPTER 5. PROCESSING REPAIRABLES

5100 SECTION A--GENERAL

5110 Many of the items of supply furnished under the FMS program can normally be repaired when they become unserviceable. In such situations, it is often less expensive to repair the unserviceable item than to discard it and order a new item. Items of this nature are called "repairables" (sometimes spelled "reparables"). One facet of the FMS Program is a procedure whereby the customer country may arrange to send unserviceable repairables to the United States for overhaul.

DESCRIPTION OF REPAIRABLES

To participate in such arrangements, it is necessary for the customer to establish an FMS case for repair services using the Offer and Acceptance, DD Form 1513. Such an FMS case may be either an "open-end" case or defined to specific items and quantities to be covered. In any case, a specific dollar amount must be cited, which may not be exceeded.

5111 Repair of unserviceable items is usually faster and less expensive than purchasing a new item. Therefore, the Navy has set up extensive repair programs for most of the items which the Navy uses and which can be repaired economically.

SCOPE OF U.S. NAVY REPAIRABLES PROGRAM

The actual repair work is performed by many different U.S. Navy activities (such as Naval Air Rework Facilities, Naval Shipyards, the Naval Avionics Facility, etc.). Repair work on Navy items is also frequently performed by commercial firms under contract to the Navy.

The scope of repair work performed under these established programs is classified as "depot level" repair, and includes the capability for complete overhaul (or "rework") of the item.

5112

PURPOSES OF THE
FMS REPAIRABLES
PROGRAM

The purposes of the FMS Repairable Program and its advantages for FMS customers include:

- . It provides the FMS customer with a means of obtaining repair services without the necessity of establishing such a capability in his own country.
- . If the FMS customer decides to establish his own repair capability, the FMS Repairable Program provides a means of supplementing that capability when necessary, or a source of repair until the customer country's capability is established.
- . The FMS Repairables Program permits integration of FMS repair requirements with U.S. Navy requirements through compatible procedures which further both economy and efficiency.

Use of U.S. Navy repair capability by FMS customers is described in this chapter, and in greater detail in Naval Material Command Instruction 4900.13B (NAVMATINST 4900.13B), entitled Processing of Repairables.

5113

FMS REPAIR
SERVICES NOT
LIMITED TO ITEMS
COVERED BY U.S.
NAVY REPAIR
PROGRAMS

FMS customers should be aware that their use of these repair arrangements is not limited to those items for which the U.S. Navy has established depot-level repair programs. Repair of items not included in U.S. Navy repair programs can be accomplished under "Repair Reship/Return" procedures described in paragraph 5117, below. Specific approval and instructions for return of items must be obtained from the applicable U.S. Navy inventory manager.

5114

MASTER REPAIR-
ABLE ITEM
LIST (MRIL)

Repairable items used by the U.S. Navy and for which depot-level repair programs have been established are listed in the Master Repairable Item List (MRIL), Naval Supply Systems Command (NAVSUP) Publication 4107. The MRIL contains two sections:

- . Part I - Listing Of Items.
This section is in stock number (National Stock Number (NSN) or equivalent) sequence.
- . Part II - Shipping Addresses.
This section shows the addresses of "U.S. Navy collection points" as well as designated overhaul points (DOPs), including commercial contractors, and other destinations to which unserviceable repairable items shown in Part I should be shipped when they are being returned to the U.S. supply system.

A more complete description of the MRIL is contained in the introduction to NAVSUP publication 4107, and in Chapter V of the Introduction to Federal Supply Catalogs and Related Publications NAVSUP Publication 4000.

5115

THE TWO TYPES OF
FMS REPAIRABLE
PROCESSING
PROCEDURES:
"REPAIR/EXCHANGE"
AND "REPAIR/
RETURN"

Under the FMS Program there are two separate procedures that may be used for processing unserviceable items which require repair. These two procedures are the Repair and Exchange procedure (usually referred to as "repair/exchange"), and the Return, Repair, and Reshipment procedure (usually referred to as "repair/return" or "repair/re-ship"). Both procedures require that the unserviceable item be returned to the U.S. Navy.

Under repair/exchange procedures, the FMS customer will be issued a serviceable item (either a new item or a repaired one) from stock on hand in the

5115

(Continued)

U.S. supply system, in exchange for the unserviceable item he returns. Under repair/reship procedures, the unserviceable item is repaired and returned to the FMS customer. Paragraphs 5116 and 5117, below, explain the procedures in greater detail.

5116

REPAIR AND
EXCHANGE
PROCEDURE

The repair and exchange procedure may be used only for unserviceable items which are listed in the MRIL. The unserviceable item is returned to the U.S. destination (frequently the designated overhaul point, DOP) as specified in the MRIL, accompanied by a proper Military Standard Requisitioning and Issue Procedure (MILSTRIP) turn-in document, DD Form 1348-1. The customer country forwards three copies of the turn-in document for the unserviceable item, together with a MILSTRIP requisition, DD Form 1348M or DD Form 1348, for the replacement item to the U.S. Navy International Logistics Control Office (NAVILCO). NAVILCO then takes the following action:

- . Establishes appropriate records upon receipt of three copies of the turn-in document and the replacement requisition
- . Initiates action with the U.S. supply system to issue or procure an equivalent item and have it shipped to the customer
- . Makes necessary financial entries to charge the customer for the replacement item at a reduced price, reflecting credit allowed to the customer for the unserviceable item which has been returned.

Important characteristics of the repair/exchange process include:

5116

(Continued)

- . The FMS customer receives an item equivalent (i.e., an item having the same NSN) to the unserviceable item which is returned. The customer does not receive the identical item that was returned.
- . The replacement item furnished will be a reworked item from ready-for-issue stock in the U.S. supply system, if available; otherwise from new commercial procurement. Thus, the replacement item furnished to the FMS customer may be a previously used, newly overhauled item, or it may be a new, previously unused item. However, the replacement item always will be fully satisfactory for its intended use.
- . Prices charged to the FMS customer for replacement items furnished under the repair/exchange procedure are from 40 percent to 80 percent less than the price of the item if it were requisitioned without an economically repairable unserviceable item being turned in. The particular percentage reduction in price varies by category of material. A listing of the indicated percentage reductions for each category of material is shown in enclosure (7) of NAVMATINST 4900.13B.

5117

RETURN, REPAIR
AND RESHIPMENT
PROCEDURES

The return, repair, and reshipment procedure may be used both for unserviceable items listed in the MRIL and for items not listed in the MRIL which the FMS customer wishes to have repaired. Inventory manager approval

5117

(Continued)

is required whenever the item is not listed in the MRIL. The FMS customer forwards a letter to NAVILCO identifying the item involved and the repair work desired. In response, the customer is provided an estimate of the repair costs and instructions for shipment of the unserviceable item to a destination in the United States. If the estimate is acceptable:

- . The FMS customer ships the unserviceable item to the U.S. destination designated in the shipment instructions.
- . Repair of the unserviceable item is accomplished.
- . The repaired item is reshipped to the FMS customer representative (usually the freight forwarder).
- . Actual repair costs are provided to NAVILCO by the repair facility.
- . NAVILCO bills the customer for the actual repair costs.

Important characteristics of the repair/return procedure include:

- . The procedure is not automatic (i.e., the FMS customer cannot return the unserviceable item until shipping instructions are received from the U.S. supply system).
- . The unserviceable item returned to the U.S. supply system is repaired and re-shipped to the customer. The customer does not receive an equivalent item in exchange; he receives the same item he returns to the U.S. supply system.

5117

(Continued)

- . MILSTRIP requisitioning and turn-in procedures are not by the FMS customer.
- . Charges to the FMS customer for repair/return transactions are not related to the price of a replacement serviceable item. Rather they reflect the actual cost of repairing the unserviceable item turned in by the customer.

5118

SUMMARY OF
SECTION A

This section of Chapter 5 has generally described the repairables processing procedures which FMS customers may utilize. Section B provides detailed instructions for the FMS customer in using both repair/exchange and repair/return procedures.

5200

SECTION B--PROCEDURES

5210

REQUIREMENT FOR AN FMS CASE FOR REPAIR SERVICES

In order for the FMS customer to utilize either repair/exchange or repair/return procedures, it is essential that an FMS case be established using the Offer and Acceptance, DD Form 1513. This case should specifically apply to services for the repair of repairable items. The wording of the DD Form 1513 may cover broad categories of repair services such as "Services for repair of shipboard components," or it may be more specific, such as "Services for repair of AN/SPS-44 Radar Components." Only cases specifically providing for "return and exchange" may be used for return and exchange transactions. Similarly, only cases specifically providing for "return, repair and reshipment" may be used for return and repair transactions.

5211

CUSTOMS CLEARANCE OF REPAIRABLES RETURNED TO THE UNITED STATES

All items being returned to the United States, whether under repair/exchange or repair/return procedures, must be cleared through customs upon arrival in the United States. Under Section 10.1.(a) of U.S. Customs Regulations, repairables of U.S. origin are entitled to duty free entry if they are accompanied by a certification, signed by the foreign representative responsible for the material being returned for repair.

"I certify that the articles covered by this entry, for which free entry is claimed under item 800.00, Tariff schedules of the United States, are the growth, produce or manufacture of the United States, and have been returned to the United States without having been advanced in value or improved in condition by any process of manufacture or other means, and that no drawback has been or will be claimed on such articles."

5211

(Continued)

(NAME)

(TITLE)

(SERVICE)

The certification may be made on the customs declaration form itself, or it may accompany the shipment as a separate document. If it is a separate document, it should include, as a minimum, the identification of ship/aircraft, voyage/flight number, date of shipment, number of containers, bill of lading number, and description of the items being shipped. The U.S. Department of Treasury, Bureau of Customs has recommended use of Customs Form 7501 for declaring repairables returned to the U.S.

Returned repairables may be consigned to their freight forwarder by those FMS customers desiring to utilize the freight forwarder's services in clearing the shipment through U.S. Customs and transshipping it to the applicable U.S. repair activity.

5220

REPAIR/EXCHANGE
PROCEDURES;
GENERAL

Use of repair/exchange procedures involves two separate transactions which are interdependent. These transactions are:

- . Return ("turn-in") of the unserviceable item to the U.S. destination specified in the MRIL.
- . Requisitioning of a ready-for-issue replacement item from the U.S. supply system.

The two separate transactions are linked by use of the same document number. This number is inserted in the "Document Number" section of both the MILSTRIP turn-in document (DOD Single Line Item Release/Receipt Document, DD Form 1348-1) for the unserviceable item,

5220

(Continued)

and the MILSTRIP requisition (DD Form 1348M or DD Form 1348) for the replacement item. In addition to use of the same document number, the separate turn-in and requisitioning transactions are also linked by the requirement that three copies of the turn-in document for the unserviceable item must accompany the requisition for the replacement item when the requisition is forwarded to NAVILCO.

5221

REPAIR/EXCHANGE
STEPS WHICH THE
FMS CUSTOMER
SHOULD FOLLOW

The steps in the repair/exchange procedure to be taken by the FMS customer are:

- . Identify the FMS case that authorizes the repair/exchange transaction. If there is no FMS case covering repair services, the customer country may request establishment of such a case through liaison with the office of the U.S. Chief of Naval Operations. This process is described in Chapter 1.
- . Prepare a letter of transmittal to NAVILCO for use in forwarding the requisition (for the replacement item) and copies of the turn-in document (for the unserviceable item). An illustration of such a letter is shown in Figure 5-1.
- . Prepare a MILSTRIP turn-in document, DD Form 1348-1, for the unserviceable item. An illustration of such a document is contained in Figure 5-2 following paragraph 5222. Paragraphs 5222 through 5243 give detailed instructions for filling out DD Form 1348-1.

FIGURE 5-1
Sample Letter of Transmittal
for FMS Replacement
Repairables Requisition

From: Chief, Supply Bureau
Republic of Latonia Navy
Barlang, Latonia

To: Commanding Officer
U.S. Navy International Logistics Control Office
Philadelphia, PA 19111
U.S.A.

Subj: FMS Repair/Exchange documents; transmittal of

Ref: (a) FMS Case DN-LT-NCA-5
(b) NAVMATINST 4900.13_

Encl: (1) FMS Requisition PLT0450280001
(2) Turn-in document, DD Form 1348-1 PLT0450280001
(three copies)

1. Enclosure (1) is forwarded for supply action under the authority of reference (a) and in accordance with the provisions of reference (b). Equivalent unserviceable items are being returned separately under the documentation of enclosure (2).

Signature

(Continued)

- . Prepare a customs clearance certification as described in paragraph 5211. Obtain signature of the appropriate foreign representative on the customs clearance certification.

- . Prepare a MILSTRIP requisition, DD Form 1348M or DD Form 1348, for the replacement item. This requisition is prepared as described in Section B of Chapter 2. Be sure to:
 - Use the same document number for both the requisition and turn-in document
 - Always enter "5G" in the "Advice Code" section of the requisition (card columns 65 and 66 of DD Form 1348M, block 22 of DD Form 1348).

- . Forward the letter of transmittal, the requisition for the replacement item, and three copies of the turn-in document to NAVILCO by mail.

- . Ship the unserviceable item to the destination shown for the item in the MRIL. (This destination should also be shown in the "Ship To" section, block B of the turn-in document, DD Form 1348-1.) The shipment should be accompanied by the turn-in document (DD Form 1348-1) and the signed customs clearance certification.

5222

PREPARATION OF
THE TURN-IN
DOCUMENT DD
FORM 1348-1

The document used to turn in an unserviceable item for repair is DOD Single Line Item Release/Receipt Document, DD Form 1348-1. Under MILSTRIP procedures, this form can be used for many purposes, one of which is to return material to the U.S. supply system. Figure 5-2 shows an example of how DD Form 1348-1 looks when filled out. DD Form 1348-1 should be filled out by typewriter. Paragraphs 5523 through 5244 describe in detail the entries which should be made in each block of DD Form 1348-1.

1		2		3		4		5		6		7		8		9		10		11		12		13		14		15		16		17		18		19		20		21		22		23		24		25		26		27		28		29		30		31		32		33		34		35		36		37		38		39		40		41		42		43		44		45		46		47		48		49		50		51		52		53		54		55		56		57		58		59		60		61		62		63		64		65		66		67		68		69		70		71		72		73		74		75		76		77		78		79		80		81		82		83		84		85		86		87		88		89		90		91		92		93		94		95		96		97		98		99		100																																																																																																																																																																																																																																																																																																																											
SHIP TO		FROM		TO		BY		DATE		TIME		PLACE		CITY		STATE		COUNTRY		ZIP		PHONE		FAX		E-MAIL		WEB		URL		FAC		TELETYPE		FACSIMILE		CABLE		RADIO		TELEVISION		OTHER		REMARKS		SPECIAL INSTRUCTIONS		SPECIAL AGENTS		SPECIAL EQUIPMENT		SPECIAL VEHICLES		SPECIAL CARGO		SPECIAL DANGEROUS		SPECIAL HAZARDOUS		SPECIAL BIOLOGICAL		SPECIAL CHEMICAL		SPECIAL ELECTRICAL		SPECIAL MECHANICAL		SPECIAL OTHER		SPECIAL NOTES		SPECIAL COMMENTS		SPECIAL REMARKS		SPECIAL INFORMATION		SPECIAL DATA		SPECIAL RECORDS		SPECIAL FILES		SPECIAL SYSTEMS		SPECIAL TOOLS		SPECIAL EQUIPMENT		SPECIAL VEHICLES		SPECIAL CARGO		SPECIAL DANGEROUS		SPECIAL HAZARDOUS		SPECIAL BIOLOGICAL		SPECIAL CHEMICAL		SPECIAL ELECTRICAL		SPECIAL MECHANICAL		SPECIAL OTHER		SPECIAL NOTES		SPECIAL COMMENTS		SPECIAL REMARKS		SPECIAL INFORMATION		SPECIAL DATA		SPECIAL RECORDS		SPECIAL FILES		SPECIAL SYSTEMS		SPECIAL TOOLS		SPECIAL EQUIPMENT		SPECIAL VEHICLES		SPECIAL CARGO		SPECIAL DANGEROUS		SPECIAL HAZARDOUS		SPECIAL BIOLOGICAL		SPECIAL CHEMICAL		SPECIAL ELECTRICAL		SPECIAL MECHANICAL		SPECIAL OTHER		SPECIAL NOTES		SPECIAL COMMENTS		SPECIAL REMARKS		SPECIAL INFORMATION		SPECIAL DATA		SPECIAL RECORDS		SPECIAL FILES		SPECIAL SYSTEMS		SPECIAL TOOLS		SPECIAL EQUIPMENT		SPECIAL VEHICLES		SPECIAL CARGO		SPECIAL DANGEROUS		SPECIAL HAZARDOUS		SPECIAL BIOLOGICAL		SPECIAL CHEMICAL		SPECIAL ELECTRICAL		SPECIAL MECHANICAL		SPECIAL OTHER		SPECIAL NOTES		SPECIAL COMMENTS		SPECIAL REMARKS		SPECIAL INFORMATION		SPECIAL DATA		SPECIAL RECORDS		SPECIAL FILES		SPECIAL SYSTEMS		SPECIAL TOOLS		SPECIAL EQUIPMENT		SPECIAL VEHICLES		SPECIAL CARGO		SPECIAL DANGEROUS		SPECIAL HAZARDOUS		SPECIAL BIOLOGICAL		SPECIAL CHEMICAL		SPECIAL ELECTRICAL		SPECIAL MECHANICAL		SPECIAL OTHER		SPECIAL NOTES		SPECIAL COMMENTS		SPECIAL REMARKS		SPECIAL INFORMATION		SPECIAL DATA		SPECIAL RECORDS		SPECIAL FILES		SPECIAL SYSTEMS		SPECIAL TOOLS		SPECIAL EQUIPMENT		SPECIAL VEHICLES		SPECIAL CARGO		SPECIAL DANGEROUS		SPECIAL HAZARDOUS		SPECIAL BIOLOGICAL		SPECIAL CHEMICAL		SPECIAL ELECTRICAL		SPECIAL MECHANICAL		SPECIAL OTHER		SPECIAL NOTES		SPECIAL COMMENTS		SPECIAL REMARKS		SPECIAL INFORMATION		SPECIAL DATA		SPECIAL RECORDS		SPECIAL FILES		SPECIAL SYSTEMS		SPECIAL TOOLS		SPECIAL EQUIPMENT		SPECIAL VEHICLES		SPECIAL CARGO		SPECIAL DANGEROUS		SPECIAL HAZARDOUS		SPECIAL BIOLOGICAL		SPECIAL CHEMICAL		SPECIAL ELECTRICAL		SPECIAL MECHANICAL		SPECIAL OTHER		SPECIAL NOTES		SPECIAL COMMENTS		SPECIAL REMARKS		SPECIAL INFORMATION		SPECIAL DATA		SPECIAL RECORDS		SPECIAL FILES		SPECIAL SYSTEMS		SPECIAL TOOLS		SPECIAL EQUIPMENT		SPECIAL VEHICLES		SPECIAL CARGO		SPECIAL DANGEROUS		SPECIAL HAZARDOUS		SPECIAL BIOLOGICAL		SPECIAL CHEMICAL		SPECIAL ELECTRICAL		SPECIAL MECHANICAL		SPECIAL OTHER		SPECIAL NOTES		SPECIAL COMMENTS		SPECIAL REMARKS		SPECIAL INFORMATION		SPECIAL DATA		SPECIAL RECORDS		SPECIAL FILES		SPECIAL SYSTEMS		SPECIAL TOOLS		SPECIAL EQUIPMENT		SPECIAL VEHICLES		SPECIAL CARGO		SPECIAL DANGEROUS		SPECIAL HAZARDOUS		SPECIAL BIOLOGICAL		SPECIAL CHEMICAL		SPECIAL ELECTRICAL		SPECIAL MECHANICAL		SPECIAL OTHER		SPECIAL NOTES		SPECIAL COMMENTS		SPECIAL REMARKS		SPECIAL INFORMATION		SPECIAL DATA		SPECIAL RECORDS		SPECIAL FILES		SPECIAL SYSTEMS		SPECIAL TOOLS		SPECIAL EQUIPMENT		SPECIAL VEHICLES		SPECIAL CARGO		SPECIAL DANGEROUS		SPECIAL HAZARDOUS		SPECIAL BIOLOGICAL		SPECIAL CHEMICAL		SPECIAL ELECTRICAL		SPECIAL MECHANICAL		SPECIAL OTHER		SPECIAL NOTES		SPECIAL COMMENTS		SPECIAL REMARKS		SPECIAL INFORMATION		SPECIAL DATA		SPECIAL RECORDS		SPECIAL FILES		SPECIAL SYSTEMS		SPECIAL TOOLS		SPECIAL EQUIPMENT		SPECIAL VEHICLES		SPECIAL CARGO		SPECIAL DANGEROUS		SPECIAL HAZARDOUS		SPECIAL BIOLOGICAL		SPECIAL CHEMICAL		SPECIAL ELECTRICAL		SPECIAL MECHANICAL		SPECIAL OTHER		SPECIAL NOTES		SPECIAL COMMENTS		SPECIAL REMARKS		SPECIAL INFORMATION		SPECIAL DATA		SPECIAL RECORDS		SPECIAL FILES		SPECIAL SYSTEMS		SPECIAL TOOLS		SPECIAL EQUIPMENT		SPECIAL VEHICLES		SPECIAL CARGO		SPECIAL DANGEROUS		SPECIAL HAZARDOUS		SPECIAL BIOLOGICAL		SPECIAL CHEMICAL		SPECIAL ELECTRICAL		SPECIAL MECHANICAL		SPECIAL OTHER		SPECIAL NOTES		SPECIAL COMMENTS		SPECIAL REMARKS		SPECIAL INFORMATION		SPECIAL DATA		SPECIAL RECORDS		SPECIAL FILES		SPECIAL SYSTEMS		SPECIAL TOOLS		SPECIAL EQUIPMENT		SPECIAL VEHICLES		SPECIAL C	

[illegible]

FIGURE 5-2
DOD Single Line Item
Release/Receipt Document,
DD Form 1348-1

- 5223 Document Identifier, spaces 1 through 3 on DD Form 1348-1. The MILSTRIP coding in these spaces tells for what purpose the document is being used. Enter "BC1" which is the code to identify material being returned from FMS customers.
- 5224 Routing Identifier, spaces 4 through 6 on DD Form 1348-1, should be left blank.
- ROUTING IDENTIFIER
- 5225 Media and Status Code, space 7 on DD Form 1348-1, should be left blank.
- MEDIA AND STATUS CODE
- 5226 Stock Number, spaces 8 through 22 on DD Form 1348-1. Enter the correct National Stock Number (NSN) for the unserviceable item being returned.
- STOCK NUMBER
- 5227 Unit of Issue, spaces 23 and 24 on DD Form 1348-1. Enter the MILSTRIP code for the unit of issue or the unserviceable item being returned. Usually the unit of issue entry will be "EA" (each).
- UNIT OF ISSUE
- 5228 Quantity, spaces 25 through 29 on DD Form 1348-1. Enter the quantity, i.e., the number of units of issue, of the unserviceable item being returned. DO NOT LEAVE ANY SPACES IN THE "QUANTITY" SECTION BLANK. Use zeros (0s) to fill all spaces to the left of the first significant digit in the "Quantity" sections.
- QUANTITY
- 5229 Document Number, spaces 30 through 43 on DD Form 1348-1. Enter the same document number as is being used for the requisition to order the replacement item. Refer to paragraphs 2260 through 2264 of Chapter 2 for additional detailed instructions concerning the "Document Number" section.
- DOCUMENT NUMBER
- 5230 Suffix Code, space 44 on DD Form 1348-1. The suffix code entry serves to identify the turn-in document as being involved with a requisition for a replacement item. Enter the letter "T" in this space.
- SUFFIX CODE

SHIPPED FROM: LATONIAN NAVAL SUPPLY CENTER, BARLANG, LATONIA

RECEIVING OFFICER: NORFOLK NAVAL SHIPYARD, NORFOLK, VIRGINIA 23709 USA

QUANTITY: 2010002460661

DOCUMENT NUMBER: PLT04450280001

SUFFIX CODE: T

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
BASIC		B		C		D		E		F		G		H		I		J		K		L		M		N		O		P		Q		R		S		T		U		V		W		X		Y		Z		AA		AB		AC		AD		AE		AF		AG		AH		AI		AJ		AK		AL		AM		AN		AO		AP		AQ		AR		AS		AT		AU		AV		AW		AX		AY		AZ		BA		BB		BC		BD		BE		BF		BG		BH		BI		BJ		BK		BL		BM		BN		BO		BP		BQ		BR		BS		BT		BU		BV		BW		BX		BY		BZ		CA		CB		CC		CD		CE		CF		CG		CH		CI		CJ		CK		CL		CM		CN		CO		CP		CQ		CR		CS		CT		CU		CV		CW		CX		CY		CZ		DA		DB		DC		DD		DE		DF		DG		DH		DI		DJ		DK		DL		DM		DN		DO		DP		DQ		DR		DS		DT		DU		DV		DW		DX		DY		DZ		EA		EB		EC		ED		EE		EF		EG		EH		EI		EJ		EK		EL		EM		EN		EO		EP		EQ		ER		ES		ET		EU		EV		EW		EX		EY		EZ		FA		FB		FC		FD		FE		FF		FG		FH		FI		FJ		FK		FL		FM		FN		FO		FP		FQ		FR		FS		FT		FU		FV		FW		FX		FY		FZ		GA		GB		GC		GD		GE		GF		GG		GH		GI		GJ		GK		GL		GM		GN		GO		GP		GQ		GR		GS		GT		GU		GV		GW		GX		GY		GZ		HA		HB		HC		HD		HE		HF		HG		HH		HI		HJ		HK		HL		HM		HN		HO		HP		HQ		HR		HS		HT		HU		HV		HW		HX		HY		HZ		IA		IB		IC		ID		IE		IF		IG		IH		II		IJ		IK		IL		IM		IN		IO		IP		IQ		IR		IS		IT		IU		IV		IW		IX		IY		IZ		JA		JB		JC		JD		JE		JF		JG		JH		JI		JJ		JK		JL		JM		JN		JO		JP		JQ		JR		JS		JT		JU		JV		JW		JX		JY		JZ		KA		KB		KC		KD		KE		KF		KG		KH		KI		KJ		KK		KL		KM		KN		KO		KP		KQ		KR		KS		KT		KU		KV		KW		KX		KY		KZ		LA		LB		LC		LD		LE		LF		LG		LH		LI		LJ		LK		LM		LN		LO		LP		LQ		LR		LS		LT		LU		LV		LW		LX		LY		LZ		MA		MB		MC		MD		ME		MF		MG		MH		MI		MJ		MK		ML		MN		MO		MP		MQ		MR		MS		MT		MU		MV		MW		MX		MY		MZ		NA		NB		NC		ND		NE		NF		NG		NH		NI		NJ	

[illegible]

FIGURE 5-2(2)
DOD Single Line Item
Release/Receipt Document,
DD Form 1348-1

DOD SINGLE LINE ITEM
RELEASE/RECEIPT DOCUMENT
DD FORM 1348-1



SHIPPED FROM: BC1
DOC. IDENT. 2010002460661
SHIP TO: LATONIAN NAVAL SUPPLY CENTER
BARLANG, LATONIA
RECEIVING OFFICER: EA00001 PLT0445028 0001 TP
NORFOLK NAVAL SHIPYARD
NORFOLK, VIRGINIA 23709 USA
FUND: NCA L48
PROJECT: 12
DISTRIBUTION: 2H
TOTAL PRICE: \$0.00
UNIT PRICE: \$0.00
QUANTITY: 1

5231

SUPPLEMENTARY ADDRESS

Supplementary Address, spaces 45 through 50 on DD Form 1348-1. These spaces are used to enter two elements of information: the Service Code and the FMS Case Identification.

Service Code, space 45. Enter the one-letter designation for the military service in the customer country which is turning in the unserviceable item and requisitioning the replacement. Enter "P" in space 45 if the customer country Navy is originating the transaction. Enter "D" if the customer country Air Force is originating the transaction. Enter "B" if the customer country Army is originating the transaction.

CAUTION: As is true for requisitions, all turn-in documents prepared under authority of a single FMS case must show the same service code in space 45.

Spaces 46 and 47 should be left blank.

FMS Case Identification, spaces 48 through 50. Enter the three-letter FMS Case Designator as shown in item 3 of the Offer and Acceptance, DD Form 1513, which authorizes repair of the unserviceable item. For example, item 3 of the DD Form 1513 might read:

DN-LT-NCA-5

The proper entry in spaces 48 through 50 would be "NCA."

5232

FUND CODE, SIGNAL CODE, DISTRIBUTION

Fund Code, Signal Code, and Distribution

Fund Code, spaces 52-53 on DD Form 1348-1. Enter the Fund Code "48" in these spaces (52-53). The Signal Code, space 51, enter "L". Distribution space 54 on the DD Form 1348-1 is left blank.

FIGURE 5-2(3)
DOD Single Line Item
Release/Receipt Document,
DD Form 1348-1

SHIP TO										PROJECT										TOTAL NET									
WAREHOUSE LOCATION										FREIGHT RATE										QUANTITY									
SUBSTITUTE DATA (FROM ORIGINALLY RECEIVED FREIGHT CLASSIFICATION NOMENCLATURE)										ITEM NOMENCLATURE										REMARKS									
SELECTED BY AND DATE										RECEIVED BY AND DATE										INSPECTED BY AND DATE									
PACKED BY AND DATE										WAREHOUSE BY AND DATE										WAREHOUSE LOCATION									
REMARKS										REMARKS										REMARKS									
FIRST DESTINATION ADDRESS										DATE SHIPPED										REMARKS									
TRANSPORTATION CHARGEABLE TO										SIGNATURE AND DATE										RECEIVER'S DOCUMENT NUMBER									

DD FORM 1348-1 1 AUG 61 14-00000-1 1

**DOD SINGLE LINE ITEM
RELEASE/RECEIPT DOCUMENT
DD FORM 1348-1**

0661

EA000001 PLT0445028 0001 TP

RECEIVING OFFICER
NORFOLK NAVAL SHIPYARD
NORFOLK, VIRGINIA 23709 USA

NCA

2H

12

F H

UNIT WEIGHT UNIT CUBE UNIT PRICE DOLLARS CTS

TOTAL PRICE DOLLARS CTS

WE ITEM RELEASE / RECEIPT DOCUMENT

FIGURE 5-2(3)
DOD Single Line Item
Release/Receipt Document,
DD Form 1348-1

5233
COGNIZANCE
SYMBOL
Cognizance Symbol, spaces 55 and 56 on DD Form 1348-1. Enter the two-character (number and letter) material cognizance symbol ("cog symbol") for the item being turned in. This information is shown in both the MRIL and the Management List - Navy (ML-N), NAVSUP publication 4100.

5234
PROJECT CODE
Project Code, spaces 57 through 59 on DD Form 1348-1, should be left blank.

5235
PRIORITY
Priority, spaces 60 and 61 on DD Form 1348-1. Enter the two-digit "Movement Priority Designator" as shown for the item in the "MPD" column of the MRIL.

5236
SPACES 62-70
Spaces 62 through 70 on DD Form 1348-1 should be left blank.

5237
SPACE 71
Space 71 on DD Form 1348-1. Enter the one-letter "Condition Code" which describes the unserviceable item being turned in. Usually, this entry will be "F," which signifies that the item is unserviceable but repairable. Other condition code entries are explained in Appendix 17 of the MILSTRIP/MILSTRAP Operating Procedures Manual, NAVSUP publication 437.

5238
SPACE 72
Space 72 on DD Form 1348-1 should be left blank.

5239
SPACE 73
Space 73 on DD Form 1348-1. Enter the "Material Control Code" for the unserviceable item as shown in the "MCC" column of Part I of the MRIL.

5240
UNIT PRICE
Unit Price, spaces 74 through 80 on DD Form 1348-1, should be left blank.

DOD SINGLE LINE ITEM
RELEASE/RECEIPT DOCUMENT
DD FORM 1348-1

FIGURE 5-2(4)
DOD Single Line Item
Release/Receipt Document,
DD Form 1348-1

SHIP TO										SHIP FROM										PROJECT										TOTAL PRICE																			
WAREHOUSE LOCATION										UNIT WEIGHT										UFC										N MFC										FREIGHT RATE									
RECEIVING OFFICER'S ORIGINAL SIGNATURE										RECEIVING OFFICER'S SIGNATURE										RECEIVING OFFICER'S DATE										RECEIVING OFFICER'S QUANTITY																			
ITEM NOMENCLATURE										ITEM NOMENCLATURE										ITEM NOMENCLATURE										ITEM NOMENCLATURE																			
RECEIVED BY AND DATE										RECEIVED BY AND DATE										RECEIVED BY AND DATE										RECEIVED BY AND DATE																			
PACKED BY AND DATE										NO. OF CONTAINERS										TOTAL COM										WAREHOUSE LOCATION																			
REMARKS										REMARKS										REMARKS										REMARKS																			
SHIP DESTINATION ADDRESS										DATE SHIPPED										DATE SHIPPED										DATE SHIPPED																			
TRANSPORTATION CHARGEABLE TO										B/LADING, AWB, OR RECEIVER'S SIGNATURE (AND DATE)										RECEIVER'S DOCUMENT NUMBER										RECEIVER'S DOCUMENT NUMBER																			

DOD SINGLE LINE ITEM
RELEASE/RECEIPT DOCUMENT
DD FORM 1348-1

SHIP TO										SHIP FROM										PROJECT										TOTAL PRICE																			
WAREHOUSE LOCATION										UNIT WEIGHT										UFC										N MFC										FREIGHT RATE									
RECEIVING OFFICER'S ORIGINAL SIGNATURE										RECEIVING OFFICER'S SIGNATURE										RECEIVING OFFICER'S DATE										RECEIVING OFFICER'S QUANTITY																			
ITEM NOMENCLATURE										ITEM NOMENCLATURE										ITEM NOMENCLATURE										ITEM NOMENCLATURE																			
RECEIVED BY AND DATE										RECEIVED BY AND DATE										RECEIVED BY AND DATE										RECEIVED BY AND DATE																			
PACKED BY AND DATE										NO. OF CONTAINERS										TOTAL COM										WAREHOUSE LOCATION																			
REMARKS										REMARKS										REMARKS										REMARKS																			
SHIP DESTINATION ADDRESS										DATE SHIPPED										DATE SHIPPED										DATE SHIPPED																			
TRANSPORTATION CHARGEABLE TO										B/LADING, AWB, OR RECEIVER'S SIGNATURE (AND DATE)										RECEIVER'S DOCUMENT NUMBER										RECEIVER'S DOCUMENT NUMBER																			

EA00001PLT04450280001TP

RECEIVING OFFICER
NORFOLK NAVAL SHIPYARD
NORFOLK, VIRGINIA 23709 USA

SHIP TO
NCA

MARK FOR
2H

PROJECT
12

UNIT PRICE
DOLLARS

TOTAL PRICE
DOLLARS

DATE SHIPPED
CC

B/LADING, AWB, OR RECEIVER'S SIGNATURE (AND DATE)
DD

RECEIVER'S DOCUMENT NUMBER
GG

DD FORM 1348-1
S/N 0102-013-1700

FIGURE 5-2(4)
DOD Single Line Item
Release/Receipt Document,
DD Form 1348-1

5241

SHIPPED FROM

Shipped From, block A on DD Form 1348-1. Enter the name and address of the customer country activity which is shipping the unserviceable item.

5242

SHIPPED TO

Shipped To, block B on DD Form 1348-1. Enter the name and address of the activity designated to receive the item in the MRIL. To determine this information, obtain the shipping code for the item from the "SHPG CODE" column in the MRIL and refer to Part II of the MRIL for an explanation of the code. Items for which the MRIL shows shipping code "XX" should be forwarded to the nearest Industrial Naval Air Station. For example, to the Naval Air Station (NAS), Norfolk, Virginia, 23511, on the U.S. east coast, and NAS, Alameda, California, 94501, on the U.S. west coast.

5243

MATERIAL
CONDITION

Material Condition, block P on DD Form 1348-1. Enter the same one-letter condition code as shown in space 71 of the DD Form 1348-1.

5244

REMARKS

Remarks, blocks AA through EE on DD Form 1348-1. If Part II of the MRIL indicates that shipment of the unserviceable item should be made to a commercial contractor, the MRIL will also show a contract number under which the repair is to be accomplished. In these instances, show the contract number in the "Remarks" section of the DD Form 1348-1. Otherwise, these blocks may be left blank.

DD FORM 1348-1
S/N 0102-013-1700

5250

REPAIR/RETURN
PROCEDURES;
GENERAL

Return, repair, and reshipment procedures are a sequential process in which an unserviceable item is returned to a repair activity in the United States. After the necessary repair work has been completed, the same item (now in serviceable condition) is reshipped to the FMS customer and he is charged for the actual cost of repair. Instead of originating both letter and MILSTRIP documentation as takes place with repair/exchange transactions, under repair/return procedures, the FMS customer originates two letters but no MILSTRIP documentation.

5251

STEPS IN THE
REPAIR/RETURN
PROCESS

The steps which the FMS customer follows in utilizing the repair/return process are shown below.

- . Identify the FMS case which is the authority for obtaining repair services. If no FMS case for repair services exists, arrangements for such a case should be made with the U.S. Chief of Naval Operations.
- . Prepare, and forward to NAV-ILCO, a letter identifying the item(s) to which repair services are applicable and outlining the extent of repair desired. Paragraphs 5252 and 5257 provide additional details and a sample of the format for such a letter.
- . After receiving authorization, estimated repair cost, and shipping instructions from the U.S. supply system, decide if the repair services are still desired.

5251

Continued)

. If repair services are desired, prepare a customs clearance certification (as described in paragraph 5211) and a letter of transmittal (as described in paragraph 5259). Ship the unserviceable item (accompanied by the letter of transmittal and customs clearance certification signed by the appropriate foreign representative) to the repair activity designated by the U.S. supply system's inventory manager.

. If it is decided that the repair services are not desired, prepare a letter to NAVILCO advising of the fact and requesting cancellation of the transaction. Paragraph 5260 provides additional details and a sample format for such a letter.

5252

LETTER REQUEST

Figure 5-3 illustrates the format for a letter which the FMS customer would originate to initiate the repair/return process. Paragraphs 5253 through 5257, below, describe the entry for each element of the columnar format in the sample letter.

5253

ITEM NUMBER

Enter in the "Item No." column a number, beginning with 1 and ascending in consecutive order, for each separately identified (i.e., each different NSN) item for which repair service is requested.

5254

DESCRIPTION

Enter in the "Description" column the National Stock Number (NSN) of each item, the name (nomenclature) of the item and the serial number(s) (if applicable) of the item. If the item is non standard or has not yet been assigned an NSN, show the manufacturer's part number and the name of the manufacturer in this column.

FIGURE 5-3
Sample Letter Format for Return,
Repair, and Reshipment Request

From: (Insert name and address of the FMS customer representative
originating the letter.)

To: Commanding Officer
U.S. Navy International Logistics Control Office
Philadelphia, PA 19111
U.S.A.

Subj: Return, Repair, and Reshipment of International Logistics
Repairable Material

1. It is requested that arrangements be made for repair and reshipment of the following items in accordance with NAVMATINST 4900.13_.

<u>Item No.</u>	<u>Description</u>	<u>Quantity</u>	<u>Condition</u>	<u>Remarks</u>
-----------------	--------------------	-----------------	------------------	----------------

(Entries in each of these columns are described in paragraphs 5253 through 5257 of Chapter 5.)

2. It is requested that estimated repair costs and specific instructions for the foregoing be provided to:

(Insert name and complete address of the activity to receive shipping instructions.)

Signature

5255 Enter the quantity and unit of
QUANTITY issue of each item for which repair
 services are desired. For example,
 "6 EA" would indicate that the unit
 of issue is "each" and that repair of
 a quantity of six of the item is being
 requested.

5256 Briefly indicate the repairs re-
CONDITION quired for each item.

5257 Amplify the information given in
REMARKS the "Condition" column if necessary to
 make clear the precise extent of repair
 required for each item. For example,
 information as to incorporation of field
 changes, modifications, etc., would be
 given in the "Remarks" column.

5258 After receipt of the letter from
ACTION BY U.S. the FMS customer requesting repair of
SUPPLY SYSTEM items under repair/return procedures,
AFTER RECEIPT NAVILCO will establish necessary files
OF REPAIR/RETURN and records. The FMS customer's letter
REQUEST LETTER will be forwarded to the U.S. inventory
 manager having responsibility for the
 item(s). In turn, the U.S. inventory
 manager will determine the estimated
 cost of the requested repairs, the
 activity which will accomplish repair,
 and the estimated time necessary to
 complete the repair. This information,
 together with shipping instructions,
 will be provided to the customer country
 representative designated in paragraph
 2 of the repair/return request letter
 described in paragraphs 5252 through
 5257, above.

5259 Upon receipt of the cost estimate
LETTER FORWARDING and shipping instructions from the U.S.
MATERIAL FOR inventory manager, the FMS customer re-
REPAIR/RETURN presentative must decide whether to
 proceed further with the transaction.
 If it is decided to continue, the FMS
 customer representative must then pre-
 pare a letter to accompany shipment

5259

(Continued)

of the unserviceable material to the repair activity designated by the U.S. inventory manager. Figure 5-4 gives a sample of the format which should be used for such a letter.

The FMS customer representative must be careful to:

- . Ensure that both the unserviceable item(s) to be repaired and the forwarding letter are sent to the repair activity designated by the U.S. inventory manager
- . Ensure that a copy of the forwarding letter is sent to both:
 - The U.S. inventory manager who provided shipping instructions
 - NAVILCO.

5260

CANCELLATION
OF REPAIR/RESHIP
TRANSACTIONS

If the FMS customer decides not to continue with the repair/return transaction after receiving the repair cost estimate, and shipping instructions, from the U.S. inventory manager, he must notify NAVILCO. Figure 5-5 is a sample of a letter format which can be used for this purpose. In addition to sending the original of the letter NAVILCO, the FMS customer should also forward a copy of the letter to the U.S. inventory manager.

5270

SUMMARY

Section B has described the details of both the repair/exchange and the repair/return procedures from the FMS customer's viewpoint. With this information, the FMS customer should be able to prepare the necessary documents to arrange repair of unserviceable material using either procedure. Section C reemphasizes some

FIGURE 5-4
Sample Letter Format for Forwarding Return,
Repair, and Reshipment Item(s) to a
U.S. Designated Overhaul Point

From: (Insert name and address of the FMS customer representative effecting shipment of the unserviceable item(s).)

To: (Insert name and address of the U.S. activity to which the U.S. inventory manager has directed the item(s) be shipped for repair.)

Subj: Return, Repair, and Reshipment of International Logistics Material

Ref: (a) NAVMATINST 4900.13_
(b) (Cite the reply from the U.S. inventory manager which provided shipping instructions, repair cost estimate etc.)

1. It is requested that the item(s) listed below and attached to this letter be repaired in accordance with references (a) and (b). FMS case (insert FMS case designator) will be used to fund necessary repairs

<u>Description</u>	<u>Quantity</u>	<u>Remarks</u>
(Give a brief description of the item, including' NSN or manufacturer's part number, name (nomenclature) of the item, name of the manufacturer and serial number(s), if applicable)	(Enter the quantity and unit of issue for each item being shipped.)	(Include any special instructions or limitations.)

2. Upon completion of repairs, reship the item(s) to the following address:

(Insert the name and complete mailing address of the freight forwarder or other customer country representative designated to receive the repaired item(s).)

Signature

cc:

NAVILCO
(applicable U.S. inventory manager)

FIGURE 5-5
Sample Letter Format for
Canceling a Return, Repair,
and Reshipment Transaction

From: (Insert name and address of the FMS customer representative
originating the letter.)

To: Commanding Officer
U.S. Navy International Logistics Control Office
Philadelphia, PA 19111
U.S.A.

Subj: Cancellation of Return, Repair, and Reshipment Transaction;
request for

Ref: (a) (Cite the letter originated by the FMS customer requesting
return, repair, and reshipment services.)
(b) (Cite the reply from the U.S. inventory manager which
provided shipping instructions, repair cost estimate, etc.)

1. This is to advise that a decision has been made not to proceed
with the return, repair, and reshipment transaction requested by
reference (a) and which was the subject of reference (b).

2. It is requested that this transaction be cancelled.

Signature

cc: (applicable U.S. inventory manager; the originator of
reference (b).)

5270

(Continued)

of the points already mentioned and adds other information which should be helpful for the FMS customer.

5300

SECTION C--AREAS OF SPECIAL INTEREST

5310

COSTS OF
REPAIR SERVICES

Paragraphs 5116 and 5117 indicate that the costs of repair services are charged to FMS customers on the basis of:

- . A reduced percentage of the price for a new item, if repair/exchange procedures are used, or
- . The actual cost of the repair work performed, if repair/reship procedures are used.

In addition, customers are billed for the normal administrative and accessorial charges in the same manner as for FMS requisitioning transactions. Administrative charges are assessed at a fixed percentage of the price of the item (in repair/exchange transactions), or at a fixed percentage of the repair costs (in repair/return transactions).

It is also necessary for the FMS customer to pay the costs of transportation for returning the unserviceable item to the United States repair destination, and for shipment of the replacement or repaired item to the FMS customer.

5311

REPAIR OF NON-
STANDARD
MATERIAL

Paragraphs 5116 and 5117 mention the important fact that repair/exchange procedures may be used only for items which are listed in the MRIL. Repair of non standard items (i.e., items which do not have an NSN) may be accomplished only under repair/return procedures.

5312

IMPORTANCE OF
THE FREIGHT
FORWARDER IN
THE REPAIR
PROCESS

The Freight Forwarder is an important link in any FMS supply transaction. However, the Freight Forwarder's role in the repair process is especially crucial because:

- . He is usually involved in the return of the unserviceable item to the United States as well as return shipment of a serviceable item to the FMS customer.
- . The repair/reship process will not function effectively without prompt return of the unserviceable item to the U.S. supply system. Repair processing cannot start until the repairing activity has received the unserviceable item.
- . The Freight Forwarder becomes part of a "repair cycle." In a "repair cycle" situation, the FMS customer country usually must choose between having inoperative equipment while an item is being repaired, or investing in a larger stock of the item so that a replacement is available for installation to make the parent equipment operative while the unserviceable item is being repaired.

For these reasons, it is particularly important that the Freight Forwarder establish accurate, speedy procedures for handling shipments of returned unserviceable items as well as outbound shipments of serviceable items.

REFERENCES FOR CHAPTER 5

Introduction to Federal Supply Catalogs and Related Publications

Naval Supply Systems Command (NAVSUP) Publication
4000 (NSN 0588 LP 411 2000)

Management List - Navy (ML-N)

Naval Supply Systems Command (NAVSUP) Publication
4100 (NSN 0588 LP 411 1000)

Master Repairable Item List (MRIL)

Naval Supply Systems Command (NAVSUP) Publication
4107 (NSN 0588 LP 410 2600)

MILSTRIP/MILSTRAP Operating Procedures Manual

Naval Supply Systems Command (NAVSUP) Publication
437 (NSN 0530 LP 170 0083)

Processing of Repairables

Chief of Navy Material Instruction (NAVMATINST)
4900.13B

CHAPTER 6. CLASSIFIED MATERIAL REQUESTS

CHAPTER 6. CLASSIFIED MATERIAL REQUESTS

T A B L E O F C O N T E N T S

	<u>Page Number</u>
6100 SECTION A--GENERAL INFORMATION	6-1
6110 Description of "Classified Material"	6-1
6111 "Unauthorized Persons"	6-1
6112 Categories of Classified Matter; "Confidential," "Secret," "Top Secret"	6-2
6113 "For Official Use Only"	6-2
6114 "Unclassified" Material	6-2
6115 Identification of Classified Material	6-3
6116 Security Clearances; General	6-5
6117 Security Clearances; Foreign Personnel	6-7
6118 Physical Protection of Classified Matter by FMS Customers	6-7
6119 Authority to Release Classified Material	6-8
6120 Distribution of Release Authorization	6-8
6121 U.S. Supply System Activities Involved in Furnishing Classified Material	6-9
6200 SECTION B--CLASSIFIED MATERIAL REQUISITIONING PROCEDURES	6-11
6210 Confirming Release Authorization	6-11
6211 How to Obtain Release Authorization	6-11
6212 How to Prepare and Forward Requisitions for Classified Material	6-12
6300 SECTION C--AREAS OF SPECIAL INTEREST GENERAL	6-15
6310 Precautions Concerning Classified Material on "Push" Requisitions	6-15
6311 Shipment of Classified Material	6-15
6312 Summary	6-16
REFERENCES FOR CHAPTER 6	6-18

INDEX OF FIGURES

		Page Number
6-1	Illustration of "Security Classification Code" Column in <u>Management List-Navy (ML-N)</u>	6-4
6-2	Illustration of "Physical Security Code" Column in <u>Navy Stock List of Publications and Forms</u>	6-6

CHAPTER 6. CLASSIFIED MATERIAL REQUESTS

6100 SECTION A--GENERAL INFORMATION

6110 Many documents and items of material either contain elements of information, or have characteristics, which must be protected from disclosure to unauthorized persons. These documents and items of material are referred to as "classified material." (Documents in this category of material are sometimes referred to as "classified information.")

DESCRIPTION
OF "CLASSIFIED
MATERIAL"

Instances may arise when customer countries will receive classified material under the FMS Program. This chapter describes the special precautions which must be taken to protect classified material and the procedures for requisitioning classified material.

6111
"UNAUTHORIZED
PERSONS"

"Unauthorized persons" who must be denied access to, or knowledge of the contents of, classified material include any person who is not a citizen (national) of either:

- . The United States, or
- . The FMS customer country which is purchasing the material.

More restrictively, "unauthorized persons" are all persons except those citizens of the U.S. or the FMS country who:

- . Have been granted a security clearance of a category equivalent to (or higher than) the particular item of classified material involved. (Security clearances are covered in paragraph 6116, below.)

- . Have a legitimate "need to know," i.e., a valid need to handle, have access to, or have knowledge of, the particular item of classified material involved.

6112

CATEGORIES OF
CLASSIFIED MATTER;
"CONFIDENTIAL,"
"SECRET," "TOP
SECRET"

U.S. Government classified material is divided into three categories, reflecting progressively more stringent limitations on disclosure. These categories are:

- . "Confidential"
- . "Secret"
- . "Top Secret."

"Secret" and "Top Secret" material is rarely disclosed to foreign countries, although disclosure of "Secret" material occurs more often than disclosure of "Top Secret" material. Although its disclosure is carefully controlled, "Confidential" material is the category of classified material most frequently released to FMS customers.

6113

"FOR OFFICIAL
USE ONLY"

There are instances when FMS customers may receive documents marked "For Official Use Only." The term "For Official Use Only" is not a security classification, but means that the contents of the document should be disclosed only to military officials or employees of the United States or the FMS customer country.

6114

"UNCLASSIFIED"
MATERIAL

All material classified as "Top Secret," "Secret," or "Confidential" is marked or labeled to show its classification category. Similarly, "For Official Use Only" documents will be so marked or labeled. All other material is considered "Unclassified." "Unclassified" material may or may not be marked as such. It is not subject to the strict protection against disclosure required for classified material. Nevertheless, reasonable discretion should be exercised in

6114

protecting unclassified matter against unauthorized disclosure.

(Continued)

6115

IDENTIFICATION
OF CLASSIFIED
MATERIAL

Classified items of standard stock (i.e., those items which have been assigned a National Stock Number or "NSN") can be identified as being classified material by reference to the:

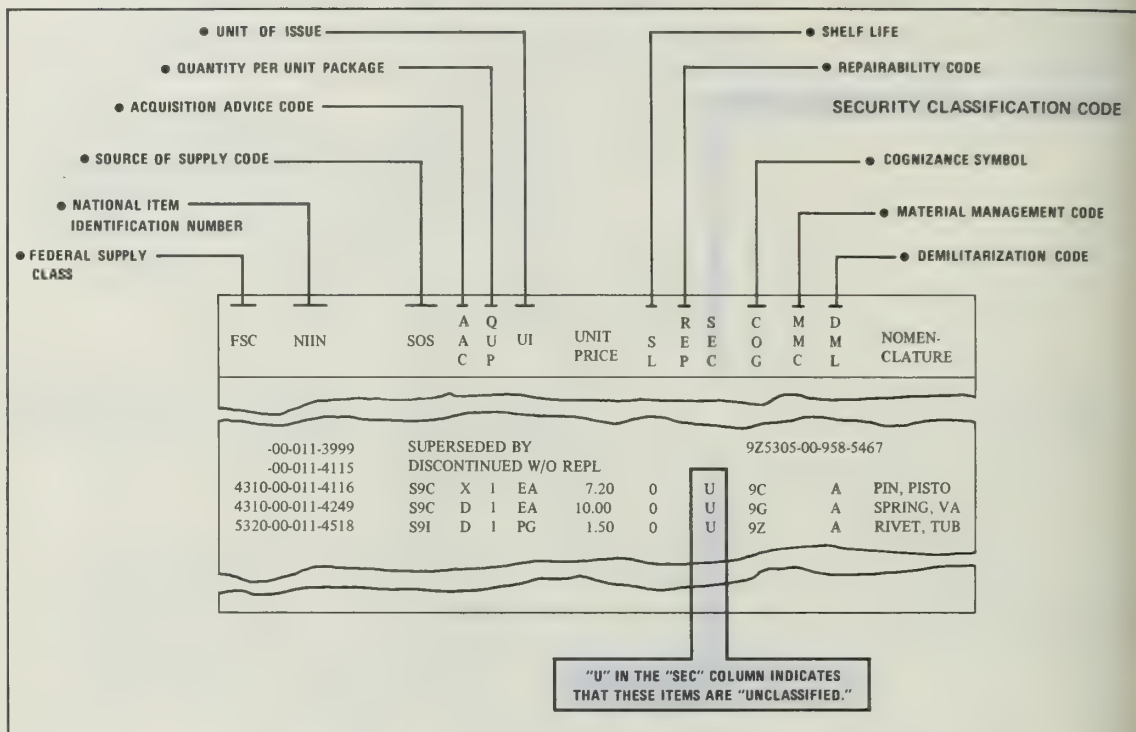
- . Management List-Navy (ML-N), Naval Supply System Command (NAVSUP) publication 4100, for standard stock items other than publications and forms, or
- . Navy Stock List of Publications and Forms, NAVSUP publication 2002, for publications and forms.

Both of these publications contain a column which indicates the classification of each item. In the ML-N, the column is headed "SEC," which signifies "Security/Pilferage Code," and will contain a single alphabetic character indicating classification.

- . The character "U" indicates that the item is "Unclassified."
- . The characters "A," "B," "C," or "D" indicate that the item is classified "Confidential."
- . The characters "E," "G," "H," or "S" indicate that the item is classified "Secret."
- . The characters "F," "K," "L," or "T" indicate that the item is classified "Top Secret."

Figure 6-1 illustrates the use of this column in the ML-N.

FIGURE 6-1
Illustration of
"Security Classification Code" Column
in the Management List-Navy (ML-N)



6115
(Continued)

In the Navy Stock List of Publications and Forms, the column is headed "PS" which signifies "Physical/Security Code." This column will either contain no entry, or it will contain a one-character entry.

- . If there is no entry (i.e., the column is blank), the publication or form is "Unclassified."
- . If the entry is the letter "B" or "C," or the number "1" or "2," the publication or form is classified "Confidential."
- . If the entry is the letter "S," or the number "4," the publication or form is classified "Secret."

Figure 6-2 shows the use of this "PS" column in the Navy Stock List of Publications and Forms.

6116
SECURITY
CLEARANCES;
GENERAL

As indicated in paragraph 6111, access to classified material is limited to persons who have been granted the appropriate security clearance. For U.S. personnel, this would mean that a person granted "Top Secret" clearance may have access to "Top Secret," "Secret," and "Confidential" classified material for which he has a valid "need to know." A person granted "Secret" clearance may have access to "Secret" and "Confidential" classified material for which he has a valid "need to know." A person granted "Confidential" clearance may have access only to "Confidential" classified material for which he has a valid "need to know."

FIGURE 6-2
 Illustration of "Physical
 Security Code" Column in Navy Stock
List of Publications and Forms

MEANING OF COLUMN HEADING ABBREVIATIONS							
● REQUISITION RESTRICTION CODE							
● PHYSICAL SECURITY CODE							
● UNIT OF ISSUE							
● MATERIAL CONTROL CODE							
● BASIC CHANGE CODE							
● REVISION DATE							
STOCK NUMBER	PUBLICATION NUMBER	TITLE/NOMENCLATURE	REV. DATE	B/C MCC	UI	PS	RR
0205-LP-644-4301	LST 762	GIB-VOL 3 CHG 1	07/00/67	C	EA		
0205-LP-644-4400	LST 762	GIB-ELECTRONIC SYSTEMS VOL. 4	06/00/63	B	EA	C	
0205-LP-644-4401	LST 762	GIB-VOL. 4 CHG 1	07/00/67	C	EA	C	
0205-LP-644-5100	LST 1084	GIB-HULL & MECHANICAL VOL. 1	04/00/63	B	EA		
BLANK IN THE PHYSICAL SECURITY (PS) COLUMN MEANS THAT PUBLICATIONS ARE "UNCLASSIFIED."							
"C" IN THE PHYSICAL SECURITY (PS) COLUMN MEANS THAT PUBLICATIONS ARE "CONFIDENTIAL."							

6117

SECURITY
CLEARANCES;
FOREIGN
PERSONNEL

Paragraph B9 of the "Conditions" section of the Offer and Acceptance, DD Form 1513, agreed to by the customer country and the U.S. Government, specifies that the purchaser:

"...shall maintain a similar classification and employ all measures necessary to preserve such security, equivalent to those employed by the USG (Government) throughout the period during which the USG may maintain such classification. The USG will notify the purchaser if the classification is changed...."

Thus, customer country personnel who must have access to classified material furnished under the FMS Program are not required to possess security clearances issued by an agency of the U.S. Government. However, they must possess an equivalent clearance issued by their own country. Full information on the requirements for the various types of security clearance is contained in the Department of the Navy Information Security Program Regulation, Office of the Chief of Naval Operations Instruction (OPNAVINST) 5510.1.

6118

PHYSICAL
PROTECTION OF
CLASSIFIED MAT-
TER BY FMS CUS-
TOMERS

Paragraph 6117 describes the security clearance restrictions which must be observed by FMS customer countries in granting access to classified material furnished under the FMS Program. The conditions of paragraph B9 of the Offer and Acceptance, DD Form 1513, to which the FMS customer material furnished under the FMS Program be provided a degree of physical protection against unauthorized disclosure which is equivalent to that provided by the U.S. Government. This refers to the types of stowage container, locks, guards, etc., which may be used

6118

(Continued)

in varying combinations to prevent theft or compromise of classified material. These physical protection requirements are described specifically in the Department of the Navy Information Security Program Regulation, OPNAVINST 5510.1, referred to in paragraph 6117, above.

6119

AUTHORITY TO
RELEASE CLASSI-
FIED MATERIAL

Within the U.S. Navy, the Chief of Naval Operations (CNO) is responsible for the disclosure or release of classified material to FMS customers. CNO has granted limited delegation of this release authority to the Systems Commands of the Naval Material Command. It is U.S. Navy policy that a complete documentary record be maintained for each shipment of an item of classified material. In addition, no shipment of classified material may be made to FMS customers without specific release authorization.

6120

DISTRIBUTION OF
RELEASE
AUTHORIZATION

If items of classified material are specifically cited in the FMS case, then the Offer and Acceptance, DD Form 1513, serves as the release authorization. If the item is not specifically cited on the applicable DD Form 1513, then CNO or the cognizant Systems Command must authorize release. Usually this authorization is in the form of a letter or naval message. Copies of this letter or message normally go to the:

- . Customer country representative
- . U.S. Military Assistance
Advisory Group (MAAG),
Military Group (MILGROUP),
Military Mission, or other
U.S. military representative
in the customer country, if
such a representative exists
- . U.S. Navy International
Logistics Control Office
(NAVILCO)

6120

(Continued)

- . Inventory managers and other supply activities in the U.S. supply system which will be involved in the issue and shipment of materials and associated publications, plans, etc.

6121

U.S. SUPPLY
SYSTEM ACTIVI-
TIES INVOLVED IN
FURNISHING
CLASSIFIED
MATERIAL

As already indicated, the CNO and cognizant Systems Commands of the Naval Material Command are participants in the process of furnishing classified material to customers under the FMS Program. In addition, other U.S. supply system activities are participants in the process in much the same manner as they would be for transactions involving unclassified material.

Usually there will be training manuals, technical publications, and other documents associated with classified equipment or parts. Frequently, these documents are also classified and must be provided protection equivalent to that provided for the equipment or parts. There is no single source of these classified documents within the U.S. supply system. They may be furnished by the Navy Publications and Forms Center, by a Systems Command or other headquarters organization, by the Naval Air Technical Services Facility, by a commercial contractor, or by an office of the U.S. Army or U.S. Air Force.

In summary, the FMS customer should realize that there is no separate U.S. supply system for providing classified material. It is the same system which furnishes unclassified material, but with the added features, transactions, and documentation necessary to ensure adequate protection and recording of classified material shipments.

6200

SECTION B--CLASSIFIED MATERIAL
REQUISITIONING PROCEDURES

6210

CONFIRMING
RELEASE
AUTHORIZATION

As the first step in requisitioning classified material, the customer should confirm that the proper release authorization, as described in paragraphs 6119 and 6120, has been obtained from the U.S. CNO or Systems Command. When possible, the customer representative originating the requisition should obtain a copy of the release letter or message and include the copy when forwarding the requisition to NAVILCO.

6211

HOW TO OBTAIN
RELEASE
AUTHORIZATION

If release authorization has not been granted, it is necessary for the customer to request this authority from the U.S. CNO. This should be done by official letter addressed to:

Chief of Naval Operations (OP-63)
Department of the Navy
Washington, D.C. 23050

The letter should identify the parent equipment or system to which the item of classified material being requisitioned pertains. Include the FMS case designation under which the parent equipment or system was supplied. Also describe the reason why the item of classified material is being ordered and the use to which the item will be put. Be sure to include this information even though it may seem to be self-evident from the nature of the item being ordered.

For example, assume that the item being ordered is a set of classified operating instructions for equipment provided under an FMS case. The customer's letter to CNO requesting release authorization should specify:

- . That release authorization is requested for the operating instructions.

6211

(Continued)

- . The name, model, etc., of the equipment to which the instructions apply.
- . The FMS case under which the equipment was furnished to the customer country.
- . The reason why the operating instructions are needed and the use which will be made of the instructions. For example, "Operating Instructions are required for use to train equipment maintenance personnel. No copies of operating instructions have yet been provided."

6212

HOW TO PREPARE
AND FORWARD
REQUISITIONS
FOR CLASSIFIED
MATERIAL

Once the release authorization has been obtained, the MILSTRIP requisition may be prepared using either DD Form 1348M or DD Form 1348. The requisition should:

- . Show the characters "A05" in the "Document Identifier" section, card columns 1 through 3 of DD Form 1348M, block 1 of DD Form 1348.
- . Include a statement, in the "Remarks" sections (blocks L through V) appropriately identifying the release authorization. For example, "Item classified; CNO letter __, serial number __, dated __, authorizes release of this item."

or

"Item classified; this item is line number __ of FMS case (fill in the case designator) which constitutes release authorization."

(Continued)

- . Be forwarded to NAVILCO by mail, accompanied by a copy of the release authorization letter, if it is available.

NOTE: If the release authorization is the FMS case Offer and Acceptance, DD Form 1513, a copy of the DD Form 1513 need not be sent to NAVILCO. Similarly, if a copy of the release authorization letter or message is not available, it cannot accompany the requisition. However, information in the "Remarks" section of the requisition must identify the specific release authorization. This is necessary, whether or not a copy of the release authorization accompanies the requisition. If there is no release authorization identification in the "Remarks" section, NAVILCO must reject any requisition for classified matter and return it to the originator.

6300

SECTION C--AREAS OF SPECIAL INTEREST

GENERAL

This section of Chapter 6 describes or emphasizes certain aspects of the requisitioning and supply process for classified material which differ from that for unclassified material.

6310

PRECAUTIONS CONCERNING CLASSIFIED MATERIAL ON "PUSH" REQUISITIONS

If a customer country is purchasing a complex weapon system under the FMS Program, it is likely that there will be significant quantities of classified material involved. It is also likely that much of this classified material will be furnished under "push" requisitions which are not originated by the customer country. It is important that adequate arrangements be made to receive and safeguard these classified shipments.

6311

SHIPMENT OF CLASSIFIED MATERIAL

The preferred consignee for classified material is the customer country's freight forwarder, if the freight forwarder has been granted the necessary security clearance to handle classified material. If the freight forwarder has not been granted the necessary clearance, shipment is normally made to the customer country's attaché or embassy in the United States.

If the customer country has requested that shipment not be made to its attaché, or embassy, and if the country's freight forwarder is not cleared to handle classified matter, classified publications and documents will be shipped to a U.S. military representative (MAAG, MILGROUP, Mission, or Attache), if one exists in the customer country. However, this means of delivery can be used only for publications and documents because packages must be small enough to be handled by the U.S. armed forces postal system or diplomatic pouch. Also, use of this means of delivery is strongly discouraged

because of the handling burden it places on the postal or diplomatic mail system.

For items of classified material other than publications and documents (i.e, items too large for the postal or diplomatic mail system), shipment will be made to the Naval Supply Center, Norfolk, Virginia, or the Naval Supply Center, Oakland, California, in instances when the customer's freight forwarder is not cleared to receive classified material. The shipment will be held at NSC Norfolk or NSC Oakland. NAVILCO will communicate with the customer's representative to make proper arrangements for delivery and onward shipment.

6312

SUMMARY

This chapter has described the special precautions and procedures associated with the furnishing of classified material to FMS customers. It has:

- . Defined the types of classified material which the FMS customer may encounter
- . Summarized the procedures for preventing access to classified material by unauthorized persons
- . Emphasized the need for obtaining a specific release authorization before initiating a requisition for classified material
- . Provided instructions for preparation of requisitions for classified material by the FMS customer
- . Stressed the importance of prior preparations to receive classified material furnished under "push" requisitions

6312

. Outlined the shipping arrangements for classified material.

(Continued)

REFERENCES FOR CHAPTER 6

Department of the Navy Information Security Program Regulation

Chief of Naval Operations Instruction (OPNAVINST)
5510.1

Management List - Navy (ML-N)

Naval Supply Systems Command (NAVSUP) Publication
4100 (NSN 0588 LP 411 1000)

Navy Stock List of Publications and Forms

Naval Supply Systems Command (NAVSUP) Publication
2002 (NSN 0535 LP 004 0100)

CHAPTER 7. DISCREPANCY REPORTING SYSTEM

CHAPTER 7. DISCREPANCY REPORTING SYSTEM

T A B L E O F C O N T E N T S

	<u>Page Number</u>
7100 SECTION A--DESCRIPTION	7-1
7110 Introduction; Types of Discrepancies	7-1
7111 Causes of Discrepancies	7-3
7112 Establishing Responsibility	7-4
7200 SECTION B--PROCEDURES	7-7
7201 Limitations on Submitting Reports of Item Discrepancy	7-7
7202 Determining if a Discrepancy Is Responsibility of the U.S. Government	7-7
7203 Steps in Determining When a ROID Should Be Submitted	7-8
7210 Preparation of Report of Item Discrepancy Standard Form 364	7-9
7211 Date of Preparation	7-11
7212 Report Number	7-11
7213 To	7-13
7214 From	7-13
7215 Shipper's Name	7-13
7216 Date of Invoice	7-13
7217 Invoice Number	7-14
7218 Shipment Number	7-14
7219 GBL, Manifest, Waybill, TCN, etc.	7-14
7220 Contract/Document Number	7-14
7221 NSN/Part Number and Nomenclature	7-15
7222 Unit of Issue	7-15
7223 Quantity Shipped/Billed	7-15
7224 Quantity Received	7-16
7225 Discrepancy	7-16
7226 Quantity (a)	7-16
7227 Unit Price (b)	7-16
7228 Total Cost (c)	7-17
7229 Code ¹ (d)	7-17
7230 Action ² Code	7-18
7231 Remarks	7-18
7232 Blocks 16 and 16A	7-18

	<u>Page Number</u>
7233	Blocks 17 Through 19 7-18
7234	Block 20 7-19
7235	Remainder of Standard Form 364 7-19
7236	Timing of ROID Preparation and Submission 7-19
7237	Documents Which Should Accompany the ROID 7-20
7238	Disposition of Discrepant Material 7-21
7240	NAVILCO Acknowledgement of ROIDs 7-21
7250	Reports to the Customer of Action Taken on ROIDs 7-21
7251	Monthly Reply to Customer Requests for Adjustment 7-21
7252	Heading 7-22
7253	D/I 7-25
7254	R/I 7-25
7255	EIA 7-25
7256	Stock/Part NR 7-25
7257	U/M 7-25
7258	Quantity 7-25
7259	Document Number 7-26
7260	SUPP/ADD 7-26
7261	M/S 7-26
7262	ARC 7-26
7263	Statement Number 7-26
7264	ROID SER NR 7-26
7265	U/P 7-26
7266	ADJ \$ VAL 7-30
7267	Case Totals 7-30
7300	SECTION C--AREAS OF SPECIAL INTEREST 7-31
7301	Explanation of "Within One Year of Shipment or Billing" 7-31
7302	Consolidation Shipments, A Common Cause of Invalid ROIDs 7-32
7303	Return of Discrepant Material to the U.S. 7-33
7304	ROID Follow-Up 7-33
7305	Importance of Complete Documentation 7-34
	REFERENCES FOR CHAPTER 7 7-35

I N D E X O F F I G U R E S

		<u>Page Number</u>
7-1	Decision Flow Diagram for ROID Submission	7-10
7-2	<u>Sample Report of Item Discrepancy</u> Standard Form 364	7-12
7-3	<u>Format of the Monthly Reply to Customer</u> <u>Requests for Adjustments Report</u>	7-23
7-4	Adjustment Reply Codes	7-27

CHAPTER 7. DISCREPANCY REPORTING SYSTEM

7100 SECTION A--DESCRIPTION

7110

INTRODUCTION; TYPES OF DISCREPANCIES

Despite strenuous effort, the U.S. supply system does not always achieve its objective of providing its customers (either U.S. or FMS) precisely what they order and having it reach them in good condition. When such a situation exists, it is called a discrepancy.

There are two basic types of discrepancies encountered by the customer in FMS transactions:

- . A discrepancy in shipment
- . A discrepancy in billing.

Shipment discrepancies fall into two categories:

- . Carrier discrepancies are damages to, or shortages in the quantity of, packaged or loose freight which occur in transit. These will normally be reflected as a difference in the quantity or condition of material received from the description as shown on the bill of lading or freight bill.
- . Shipper discrepancies are those in which there is no apparent difference between the shipment as it is received and the description of the shipment (quantity and condition) as shown on the bill of lading or freight bill. Rather, there may be a shortage or excess quantity due to incorrect count, there may be damage prior to shipment, or the customer may receive an incorrect item or a substitute item which is not interchangeable with the item ordered.

7110

(Continued)

Billing discrepancies are those in which material is received as ordered (and with proper accompanying documentation,) but is incorrectly reflected, omitted, or duplicated in either:

- . FMS Delivery Listings
- . Statements of FMS transactions

(These documents are described in detail in Chapter 8.)

Examples of some typical discrepancies include:

- . Material shortage (i.e., only part of the quantity ordered is received)
- . Missing material (i.e., none of the material ordered is received)
- . Material received in damaged condition
- . Wrong material received; neither the material ordered, nor a usable substitute
- . Too much material received (i.e., more than was ordered)
- . Material received without matching documentation
- . Material received without any documentation
- . Duplicate shipment (i.e., material applicable to a single requisition received twice)
- . Duplicate billing (i.e., being charged twice for the same item).

Except for the duplicate billing example, all of the discrepancies cited above are discrepancies in shipment.

CAUSES OF
DISCREPANCIES

In most instances, the reasons for a discrepancy can be classified under one of the three causes:

- . Misunderstanding
- . Mishandling
- . Mistake.

Misunderstanding can cause a discrepancy two ways. The first is when the FMS customer's requisition or delivery instructions are not clear and are misinterpreted by the U.S. supply system. The result is that the customer does not get the material he thought he had ordered, or he receives it in a different manner or place, or at a different time, than he expected. The second way in which misunderstanding causes an apparent discrepancy occurs when there really is no discrepancy, but the information available to the FMS customer makes it appear, initially, that a discrepancy exists. Typical examples of this type of misunderstanding are:

- . The FMS Delivery Listing provided to the customer by the Security Assistance Accounting Center (SAAC) may show that the material for a requisition has been shipped. Months later, if the customer has not received the item, it is natural to assume that a discrepancy has occurred. Frequently, however, investigation reveals that the material was shipped by the U.S. supply system but has not been forwarded by the FMS customer's freight forwarder.
- . The FMS customer may compare the quantity on the original requisition with the lesser quantity received and conclude that a shortage - and thus a discrepancy - exists. However, more careful review of status provided by NAVILCO and

7111

(Continued)

the information provided by the applicable shipping documentation may show that the material received is only a partial shipment, with the remainder to follow at a later date.

- . Visual inspection of a shipping container may reveal no evidence of documentation, a situation which would be a discrepancy. However, a later receipt from the freight forwarder includes another package from the original shipment. This second package, which had become separated from the first package during freight forwarder processing, bears the documentation for the entire shipment.

Mishandling discrepancies are when material is received in damaged condition due to improper handling in transit.

Mistake, or human error, at some point in the supply process is, by far, the most prevalent cause of discrepancies. Furthermore, discrepancies caused by mistake can range across the entire spectrum from material shortage or damage to discrepancies in documentation to misdirected shipments.

7112

ESTABLISHING
RESPONSIBILITY

The U.S. Government takes corrective action or provides recompense to FMS customers for discrepancies that are determined to be the responsibility of the U.S. Government. A discrepancy that occurs after title to the material passes to the FMS customer is not a discrepancy for which the U.S. Government is responsible. The major exception to this general rule is discrepancies in billing; these are U.S. Government responsibility and will normally occur after title has passed to the FMS customer.

(Continued)

The three key steps which the FMS customer should take in processing potential discrepancies are:

- . Investigate thoroughly to ensure that a discrepancy does, in fact, exist. Usually this will involve careful checking with the freight forwarder as well as at various receiving destinations within the FMS customer country. Once it has been established that a true discrepancy does exist, the next step is to:
- . Investigate to determine whether the discrepancy is the responsibility of the U.S. Government. Often, the investigation performed to determine if the suspected discrepancy is a true discrepancy will also indicate whether responsibility is that of the U.S. Government. If the customer decides that the responsibility should rest with the U.S. Government, the next step is to:
- . Prepare, and forward to NAVILCO, a Report of Item Discrepancy (ROID), Standard Form 364. Detailed instructions for completing this form are contained in Section B of this chapter.

ROIDS will be forwarded by the FMS customer to service-designated activities for processing. The activity designated by the U.S. Navy is NAVILCO, Philadelphia, Pennsylvania. DOD activities will provide adjustments as appropriate for ROID for credit thru NAVILCO. SAAC will in turn process the necessary adjustments in the purchaser's account and prepare the listing which identifies the credit document and date processed to the account. SAAC will process the response to the customer with his quarterly billing statement.

7112

(Continued)

The importance of thorough investigation prior to submitting a ROID cannot be overemphasized. Such an investigation does more than ensure that responsibility can be properly assigned to either the FMS customer, the freight forwarder, the carrier, or the U.S. Government. It also provides important information which must be included when a ROID is submitted, in order to permit processing and remedial action by the U.S. supply system.

7200

SECTION B--PROCEDURES

7201

LIMITATIONS ON SUBMITTING REPORTS OF ITEM DISCREPANCY

If an FMS customer has determined that a true discrepancy exists and it appears that the discrepancy is the responsibility of the U.S. Government, a Report of Item Discrepancy (ROID), Standard Form 364, should be prepared and submitted to NAVILCO. The ROID document, Standard Form 364, should be used to report discrepancies of any type, whether material discrepancies (e.g., shortage, damage, wrong material), documentation discrepancies (e.g., missing documents, documents which do not match material), or billing discrepancies (e.g., duplicate charges, incorrect price). However, ROIDs may not be submitted for discrepancies which:

- . Are for amounts less than \$100 (unless the discrepancy involves defective material or non-receipt of material)
- . Will be received by NAVILCO more than one year after the date when material was shipped to the FMS customer, or one year after the material has been reported in the FMS Delivery Listing portion of a Foreign Military Sales Billing Statement, DD Form 645, whichever is later.

7202

DETERMINING IF A DISCREPANCY IS RESPONSIBILITY OF THE U.S. GOVERNMENT

To assist in determining if a valid discrepancy is the responsibility of the U.S. Government, it is usually helpful to determine if the discrepancy is a billing discrepancy or a shipment discrepancy (as described in paragraph 7110). If it is a billing discrepancy, a ROID should be submitted to SAAC. If it is a shipment discrepancy, it is necessary to determine whether it is a

7202

(Continued)

shipper discrepancy or a carrier discrepancy. (Both of these terms are defined in paragraph 7110.) If it is a shipper discrepancy, U.S. Government responsibility is probable and a ROID should be submitted to NAVILCO.

If the discrepancy is a carrier discrepancy, responsibility normally does not rest with the U.S. Government. This is because title to the material usually passes to the FMS customer when material is turned over to a carrier at the source of supply. In instances of a carrier discrepancy when title of the material has passed to the FMS customer country, the FMS customer representative or freight forwarder, should initiate a claim for reimbursement against the delivering carrier.

7203

STEPS IN DETER-
MINING WHEN A
ROID SHOULD BE
SUBMITTED

To determine whether a suspected discrepancy should become the subject of a ROID submitted to NAVILCO, a step-by-step process is recommended as shown below.

- . Determine if the suspected discrepancy is, in fact, a valid discrepancy.
- . Determine if the money value of the discrepancy is \$100 or more (unless discrepancy involves defective material or non-receipt of material).
- . Ensure that the discrepancy is not too old to be accepted by NAVILCO (i.e., less than one year from date of shipment or billing, whichever is later).
- . Determine if the discrepancy is a billing (financial) discrepancy or a shipment discrepancy. (Billing discrepancy ROIDs will be submitted to SAAC.)

7203

(Continued)

- . If it is a shipment discrepancy, determine whether it is a shipper or a carrier discrepancy. (Shipper discrepancy ROIDs will be submitted to NAVILCO.)
- . If a carrier discrepancy is suspected, claims should immediately be filed directly to the carrier as his liability is terminated after nine months from the date of shipment.

These steps are shown in a decision flow diagram, Figure 7-1.

7210

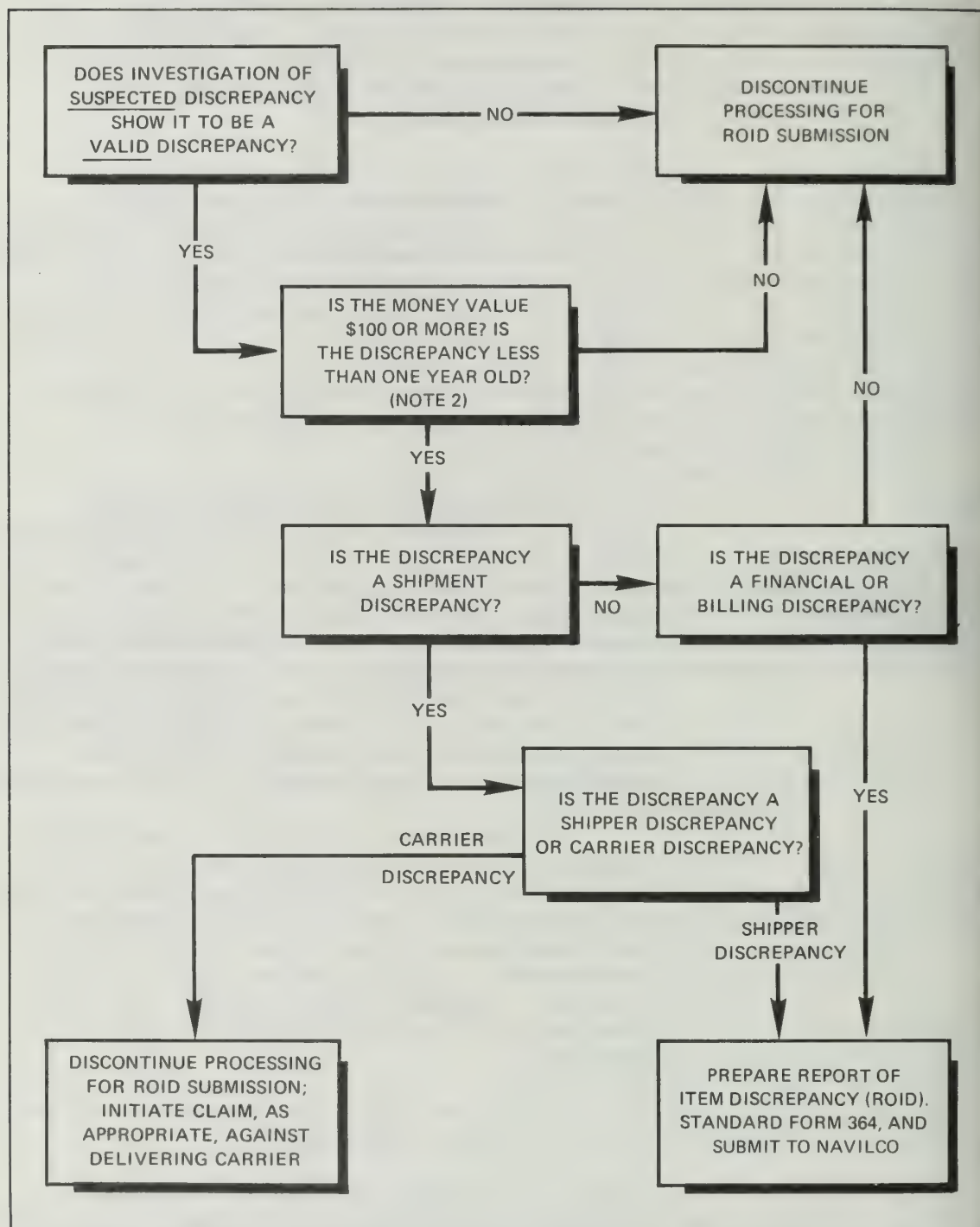
PREPARATION OF
REPORT OF ITEM
DISCREPANCY,
STANDARD FORM
364

The Report of Item Discrepancy (ROID), Standard Form 364, was originally designed for use by U.S. Government activities and agencies. It has also been adopted for use by FMS customers in reporting discrepancies under the FMS program which appear to be the responsibility of the U.S. Government. Because the form was designed primarily for U.S. use, there are portions of the form which are not applicable to FMS customers.

In addition, the ROID form was designed for multi-purpose use by the various offices or organizations involved in processing reports of discrepancy. For this reason the form is printed on both sides. It is important that discrepancy reports submitted by FMS customers use Standard Form 364 which has either:

- . Been supplied from U.S. Government sources, or
- . If reproduced by the FMS country, is an exact duplicate of U.S.-supplied Standard Form 364, including printing on the reverse.

FIGURE 7-1
Decision Flow Diagram
for ROID Submission



- NOTE: 1. IT IS IMPORTANT TO REMEMBER THAT CLAIMS MUST BE SUBMITTED TO THE CARRIER WITHIN NINE MONTHS FROM THE DATE OF SHIPMENT. THEREFORE, WHENEVER A CARRIER DISCREPANCY IS SUSPECTED, FILE A CLAIM IMMEDIATELY WITH THE CARRIER.
2. THE \$100 OR GREATER MONEY VALUE LIMITATION APPLIES ONLY ON ROID SUBMISSIONS COVERING SHORTAGES OR MATERIAL DAMAGED IN SHIPMENT. THE \$100 LIMITATION DOES NOT APPLY TO THE RECEIPT OF DEFECTIVE MATERIAL.

7210

(Continued)

Figure 7-2 is an illustration of the ROID, Standard Form 364. Each block of the form is numbered and titled. Paragraphs 7211 through 7235 identify each block in which the FMS customer should make an entry and describe the entry which should be made.

More complete instructions may be found in the directive "Reporting and Processing of Discrepancy Reports against Foreign Military Sales Shipments," Defense Supply Agency (DSA) Regulation 4140.60, which was distributed to the U.S. Navy by Naval Supply Systems Command (NAVSUP) Instruction 4920.9 (series).

7211

DATE OF
PREPARATION

Block 1, "DATE OF PREPARATION," should show the date when the report is prepared. The proper format for this entry is in "year-month-day" sequence, using only the last two digits of the year number. For example, the proper "Date of Preparation" entry for a ROID prepared on the third day of June 1978 would be:

78 JUNE 03

Similarly, November 10, 1978, would be entered as:

78 NOV 10.

7212

REPORT
NUMBER

Block 2, "REPORT NUMBER," should show the two-letter country code applicable to the FMS customer, and the three-letter FMS transaction identifier. This information may be obtained from Item 3, the "Case Designator" section of the Offer and Acceptance (DD Form 1513), of the FMS case applicable to the material on which the ROID is being submitted. For example, if Item 3, the "Case Identifier," of the applicable DD 1513 reads:

FIGURE 7-2
Sample Report of Item Discrepancy
Standard Form 364

REPORT OF ITEM DISCREPANCY (ROID)				1. DATE OF PREPARATION 79 May 21		2. REPORT NUMBER LT-NCA-0001			
3. TO (Name and address, include ZIP Code) Commanding Officer U.S. Navy International Logistics Control Office Philadelphia, PA 19111				4. FROM (Name and address, include ZIP Code) Chief, Supply Bureau Republic of Latonia Navy Barland, Latonia					
5. SHIPPER'S NAME NSC Norfolk				5A. DATE OF INVOICE 12/1/78		5B. INVOICE NUMBER			
6. SHIPMENT NUMBER 2 of 3		7. GBL, MANIFEST, WAYBILL, TCN, ETC.			8. CONTRACT/DOCUMENT NUMBER Reqn PLT 044428009				
9. FSN/PART NUMBER AND NOMENCLATURE		10. UNIT OF ISSUE	11. QUANTITY SHIPPED/BILLED	12. QUANTITY RECEIVED	13. DISCREPANCY			14. ACTION CODE	
		QUAN- TITY (a)	UNIT PRICE (b)	TOTAL COST (c)	CODE (d)		ACTION CODE		
1005 00 1755 918		EA	2A	10	14	\$22.00	\$308.00	S1	IB

15. REMARKS (Continue on separate sheet of paper if necessary)

Quantity of 10 received being retained for use. Shipment of Balance (14 ea.) required to complete Requisition
Quantity ordered is requested.

1/ DISCREPANCY CODES		2/ ACTION CODES
CONDITION C1—Material received which is defective or in condition other than that indicated on release/receipt document. DOCUMENTATION D1—Supply documentation not received D2—Supply documentation illegible or mutilated D3—Supply documentation incomplete, improper or without authority (Only when receipt cannot be properly processed) MISDIRECTED M1—Material addressed to wrong activity OVERAGE/DUPLICATE SHIPMENTS O1—Quantity received in excess of quantity on receipt document O2—Quantity received in excess of quantity requested (Other than unit of issue pack) O3—Quantity received duplicates shipment	SHORTAGE S1—Quantity received less than quantity on receipt document S2—Quantity received less than quantity requested (Other than unit of issue pack) S3—Non-receipt of parcel post shipments ITEM TECHNICAL DATA MARKINGS (i.e., Name Plates, Log Books, Operating Handbooks, Special Instructions, etc.) T1—Missing T2—Illegible or mutilated T3—Precautionary operational markings missing T4—Inspection data missing or incomplete T5—Serviceability operating data missing or incomplete T6—Warranty data missing WRONG ITEM (Identify requested item as a separate entry in Item 9 above) W1—Incorrect item received W2—Unacceptable substitute OTHER DISCREPANCIES Z1—See remarks	1A—Disposition instructions requested (See reverse) 1B—Material being retained (See remarks) 1C—Supporting supply documentation requested 1D—Material still required expedite shipment 1E—Local purchase material to be returned at supplier's expense unless disposition instructions to the contrary are received within 15 days (See reverse) 1F—Replacement shipment requested 1Z—Other action requested (See remarks)
16. TYPED OR PRINTED NAME AND TITLE OF PREPARING OFFICIAL W. T. Dooratino, Captain, LN		16A. SIGNATURE <i>W. T. Dooratino, CAPT, LN</i>
17. FUNDING AND ACCOUNTING DATA		
18. VOUCHER NUMBER	19. SIGNATURE OF APPROVING OFFICIAL	19A. DATE
20. DISTRIBUTION OF COPIES		

7212

LT-P-NCA

(Continued)

the proper entry in the "REPORT NUMBER" block would be "LT-NCA."

In addition, the "REPORT NUMBER" block should also be used by the customer to enter a 4-digit serial number (in a series from 0001-9999) to identify the individual ROID submission. The use of this serial number is shown in Figure 7-2.

7213

Block 3, "TO," should show the name and address to whom the ROID is being submitted. Enter:

TO

Commanding Officer
U.S. Navy International Logistics
Control Office
Philadelphia, Pennsylvania 19111

7214

Block 4, "FROM," should show the full name and address of the FMS customer representative preparing the ROID.

FROM

7215

Block 5a, "SHIPPER'S NAME," is used only if shipment of the material was made by a commercial source (contractor or vendor). No entry is made in this block if the shipment was made by a U.S. Government activity. If the shipment was made from a commercial source, enter the name (and address, if available) of the commercial source.

SHIPPER'S NAME

7216

Block 5b, "DATE OF INVOICE," is used only if shipment of the material was made by a commercial source. If the shipment was made from a commercial source, enter the date shown on the invoice (bill, sales slip, shipping document, etc.) prepared by the commercial source.

DATE OF INVOICE

7217

INVOICE NUMBER

Block 5c, "INVOICE NUMBER," is used only if shipment of the material was made by a commercial source. If the shipment was made from a commercial source, enter the number shown on the invoice (bill, sales slip, shipping document, etc.) prepared by the commercial source. Information for entries in blocks 5A and 5B (if entries are made) will come from the same document.

7218

SHIPMENT NUMBER

Block 6, "SHIPMENT NUMBER," should show the number of the shipment in which the discrepancy was found, if more than one shipment was made under the requisition, contract, or purchase order applicable to this transaction.

7219

GBL, MANIFEST,
WAYBILL, TCN,
ETC.

Block 7, "GBL, MANIFEST, WAYBILL, TCN, ETC.," should show the type of transportation document applicable to the shipment, and the identifying number assigned to that document. Types of transportation documents include:

- . Commercial Bill of Lading (CBL)
- . Manifest
- . Waybill
- . Transportation Control and Movement Document (TCMB)
- . Government Bill of Lading (GBL).

7220

CONTRACT/
DOCUMENT
NUMBER

Block 8, "CONTRACT/DOCUMENT NUMBER," should show the requisition number for shipments made by U.S. military activities or the U.S. General Services Administration (GSA). If the shipment was made from a commercial source (contractor or vendor) the contract or purchase order number should also be shown (if known) in addition to the requisition number.

7221

NSN/PART
NUMBER AND
NOMENCLATURE

Block 9, "NSN/PART NUMBER AND NOMENCLATURE," is used to identify the specific item which is the subject of the ROID. The National Stock Number (NSN) or Federal Stock Number (FSN) should be shown if the item is standard stock. If the item is non-standard, the manufacturer's part number should be shown. The name (nomenclature) of the item should also be shown. In situations where the item received is different from the item shown on the shipping document, or is different from the item ordered, show the number and nomenclature for both items in this space, making a separate entry for each. For example:

"Item received:
1005 00 1752 087, LEVER LATCH
LOCKING ARM

Item ordered:
1005 00 1755 918, EJECTOR CATCH
RELEASE LEVER"

7222

UNIT OF ISSUE

Block 10, "UNIT OF ISSUE," should contain the Unit of Issue shown on the shipping document for the item entered in block 9. If more than one item is shown in block 9, enter the Unit of Issue for each.

7223

QUANTITY
SHIPPED/BILLED

Block 11, "QUANTITY SHIPPED/BILLED," should show the quantity (i.e., the number of Units of Issue) shown on the shipping document. In instances where a shortage or excess exists, this quantity will be different from the quantity actually received. In certain situations described in paragraph 7229, below, the material condition code shown on the shipping document will also be entered in block 11.

7224

QUANTITY
RECEIVED

Block 12, "QUANTITY RECEIVED" should show the quantity of the item actually received. This is irrespective of the quantity shown on the shipping documents and entered in block 11. The entries in block 11 and block 12 may be the same, but they need not be. In certain situations described in paragraph 7229, below, the material condition code applicable to material received will also be entered in block 12.

7225

DISCREPANCY

Block 13, "DISCREPANCY," is divided into four subsections, each of which is described in detail in paragraphs 7226 through 7229. Entries in these four subsections all are applicable only to that portion of the material received (or missing) which is discrepant. For example if a quantity of 9 of an item is received, of which 3 are damaged, entries in the subsections of block 13 would apply only to the 3 damaged units. If a quantity of 10 of an item were ordered but only 6 received, entries in the subsections of block 13 would apply only to the shortage of 4 units.

7226

QUANTITY (a)

Block 13(a), "QUANTITY (a)," should show the total quantity (i.e., the number of units of issue) for which a discrepancy is being reported. For example, if the discrepancy is a shortage or an excess, the entry will be the difference between the "Quantity Shipped/Billed" (block 11) and the "Quantity Received" (block 12). If the discrepancy is damage, the entry in block 13(a) will be only the number of units which are damaged.

7227

UNIT PRICE (b)

Block 13(b), "UNIT PRICE (b)," should show the Unit Price of material as indicated on the bill, invoice, or shipping document.

7228

TOTAL COST (c)

Block 13(c), "TOTAL COST (c)," is the result of multiplying the entry in block 13(a) ("Quantity") by the entry in block 13(b) ("Unit Price"). This entry represents the total money value of the discrepancy being reported.

7229

CODE¹ (d)

Block 13(d), "CODE¹ (d)," requires an entry drawn from the table of Discrepancy Codes shown in the lower portion of the front of Standard Form 364. Although unusual, it is possible that more than one discrepancy code could be applicable. If the discrepancy is not properly described by any of the codes shown, enter "Z1" in block 13(d) and describe the discrepancy in the "Remarks" section, block 15.

If discrepancy code "C-1" is applicable, other entries should also be made as follows:

- . Enter the "material condition code" of the item when shipped (i.e., as shown on the shipping document) in block 11 ("Quantity Shipped/Billed"). A listing of material condition codes is provided in paragraph C, Appendix 17, of the MILSTRIP/MILSTRAP Operating Procedures Manual, Naval Supply Systems Command (NAV-SUP) Publication 437.
- . Enter the "material condition code" of the item when received in block 12. If material is received in more than one condition code (e.g., some damaged, some undamaged), make separate entries in block 12 showing the quantity to which each condition code is applicable.

7229

(Continued)

. If a quality or shelf-life (i.e., age of material received) discrepancy is involved, enter the following information in block 15 ("Remarks"):

- Manufacturer's name
- Contract/Purchase Order Number (if not already shown in block 8)
- Date of manufacture, pack or expiration of shelf-life
- Lot/batch number
- Location of material
- Nature of complaint (i.e., why material is unsatisfactory).

7230

ACTION²
CODE

Block 14, "ACTION² CODE," requires an entry drawn from the table of Action Codes shown in the lower portion of the front of Standard Form 364. Do not use Action Code 1D, 1E, or 1F. If the action desired is not among those listed in the table, enter "1Z" in block 14 and explain the action requested in the "Remarks" section, block 15.

7231

REMARKS

Block 15, "REMARKS," is to be used for inclusion of any supplemental information to explain the discrepancy, or action requested, more fully.

7232

BLOCKS 16 AND 16A

Blocks 16 and 16A are used to show the name, title, and signature of the official submitting the ROID.

7233

BLOCKS 17
THROUGH 19

Blocks 17 through 19 do not require an entry by the FMS customer representative preparing the ROID.

7234
BLOCK 20

Block 20, "Distribution of Copies," may be used by the FMS customer representative preparing the ROID, if desired, to show to whom copies of the ROID are sent.

7235
REMAINDER OF
STANDARD FORM
364

There is no requirement for entries by the FMS customer country in remaining sections (the reverse) of the ROID, Standard Form 364.

7236
TIMING OF ROID
PREPARATION AND
SUBMISSION

The timing of ROID preparation and submission is important to the FMS customer. It is important that preparation and submission not be delayed too long, because ROIDs received at NAVILCO more than one year after the shipment date or billing date (whichever is later) will be rejected.

Six suggested guidelines which may be used in preparing and submitting ROIDS are:

- . Prepare a ROID as soon as it is clearly established that a discrepancy which is the responsibility of the U.S. Government exists.
- . "Receipt of shipping" status indicates that the material has been released, normally to the freight forwarder. A thorough investigation should be conducted prior to submitting a ROID. Materials may well be frustrated at any point in transit: carriers, freight forwarder, port of entry, etc. Additionally, upon receipt of shipping status sufficient time should be allotted for physical receipt of the material prior to submitting a ROID.
- . Forward ROIDs to NAVILCO as soon as possible after they have been prepared.

7236

(Continued)

- . If the ROID involves a potential carrier discrepancy in which there may be a question as to whether the FMS customer or the U.S. Government owned the material at the time the discrepancy occurred, immediately file a claim against the carrier and then submit a ROID to NAVILCO within six months of the shipment date. (This is to protect the FMS customer's right to initiate a claim against the delivering carrier if it is determined that ownership of the material did not rest with the U.S. Government at the time the discrepancy occurred.)
- . . Forward the original and six copies of each ROID to NAVILCO.
- . Forward ROIDS to NAVILCO by air mail to minimize transit time.

7237

DOCUMENTS WHICH
SHOULD ACCOMPANY
THE ROID

In order to ease the processing of ROIDS submitted by FMS customers and to permit their rapid and definitive resolution, it is important that copies of pertinent documents be forwarded to NAVILCO with the ROID. Examples of "pertinent documents" for various types of ROIDS are provided below.

- . Shipping documents for ROIDS involving shortage or excess shipment, receipt of material in damaged condition, or receipt of wrong material.
- . Requisition for ROIDS involving receipt of wrong material.

7237 . Photographs of material as
(Continued) received for ROIDs involving
damaged or mislabeled material.

7238 As a general rule, FMS customers
should retain material which they have
received and which is the subject of
a ROID until disposition instructions
are generally provided by NAVILCO (or
by other competent authority in the
U.S. supply system).

DISPOSITION OF
DISCREPANT
MATERIAL

If it is not practical to hold
discrepant material until disposition
instructions are received because of
the condition or characteristics of the
material, the "Remarks" section (block
15) of the ROID should be used to
explain action which will be taken.
For example:

"Containers are leaking and
creating fire hazard; broken
containers will be destroyed."

7240 When a ROID is received from an
FMS customer at NAVILCO, it is recorded.
Before any other processing takes place,
a copy of the ROID is annotated and
returned to the FMS customer notifying
that the ROID has been received.

NAVILCO
ACKNOWLEDGEMENT
OF ROIDs

7250 Resolution of discrepancies
reported on ROIDs normally requires a
minimum of 120 days after receipt of
the ROID by NAVILCO. Thus, it is
unlikely that the FMS customer will
receive any report of the action taken
with respect to a ROID until at least
three months after he has received
NAVILCO acknowledgement of the ROID.

REPORTS TO THE
CUSTOMER OF
ACTION TAKEN
ON ROIDs

7251 When action with respect to a ROID
has been completed, it will be reported
to the FMS customer as part of the
Reply to Customer Requests for Adjust-
ment. This report (which is also
described in paragraph 9130 of Chapter
9) is forwarded monthly to the FMS

MONTHLY REPLY
TO CUSTOMER
REQUESTS FOR
ADJUSTMENT

7251

(Continued)

customer. The report is a machine listing that identifies the ROID, the document number of the transaction to which the ROID applies, the action taken by the U.S. Department of Defense to resolve the ROID, and other pertinent information. A separate listing is provided for each FMS case under which action on a ROID has been completed. In addition, a copy of each processed ROID included in the listing accompanies the report. If the FMS customer utilizes mechanized procedures, an Adjustment Request Reply card (MIL-STRIP Document Identifier "FKG") is also provided for each ROID included in the listing.

Figure 7-3 illustrates the monthly Reply to Customer Requests for Adjustment. Paragraphs 7252 through 7267 identify and describe the various entries on the report.

7252

HEADING

The Heading of the Reply to Customer Requests for Adjustment report shows:

- . The title of the report
- . The name of the FMS customer country ("LATONIA" in Figure 7-3)
- . The 2-letter FMS country code ("LT" for the Republic of Latonia in Figure 7-3)
- . The 3-letter case designator portion of the FMS case identifier ("LAJ" from Case LT-P-LAJ in Figure 7-3)
- . The date on which the report was prepared (27 March 1975, 75 MAR 27) in Figure 7-3.

FIGURE 7-3
Format of the Monthly Reply to Customer
Requests for Adjustments Report

R ADJUSTMENTS

DATE PREPARED 75 MAR 27

M/S	ARC	STATEMENT NUMBER	ROID SER NR	U/P	ADJ \$ VAL
J	CA	7502	7712	\$5.00	\$50.00

DEBIT \$ VALUE \$78.45

FIGURE 7-3
Format of the Monthly Reply to Customer
Requests for Adjustments Report

REPLY LISTING TO CUSTOMER REQUESTS FOR ADJUSTMENTS

LATONIA LT

CASE LAJ

DATE PREPARED 75 MAR 27

D/I	R/I	EIA	STOCK/PART NR	U/M	QUANTITY	DOCUMENT NUMBER	SUPP/ADD	M/S	ARC	STATEMENT NUMBER	ROID SER NR	U/P	ADJ \$ VAL
FKG	S9G	A	5190004721104V810	EA	00010	PLT04412841638	PA5ULA	J	CA	7502	7712	\$5.00	\$50.00

CASE TOTALS 00017

CREDIT \$ VALUE \$223.10

DEBIT \$ VALUE \$78.45

- 7253
D/I "D/I" is the abbreviation for "Document Identifier." The entry in this column always contains the letters "FKG." FKG is the Document Identifier for an Adjustment Request Reply Card.
- 7254
R/I "R/I" is the abbreviation for "Routing Identifier." Entries in this column show the MILSTRIP Routing Identifier of the activity which shipped the material to the FMS customer. A list of Routing Identifiers is contained in Appendix 10 of NAVSUP publication 437.
- 7255
EIA "EIA" is the abbreviation for "Estimated, Incremental or Actual." The letter "E," "I," or "A" appears in the entry. This indicates the nature of the original charge for which the customer has requested adjustment. "E" indicates that the charge was estimated. "I" indicates that the charge was incremental. "A" indicates that the charge reflected actual costs to the customer.
- 7256
STOCK/PART NR "STOCK/PART NR" is the abbreviation for "Stock Number or Part Number." The entry in this column shows the stock number (NSN) or manufacturer's part number of the item for which the adjustment was requested. In instances when such a number is unknown or not applicable, the name or abbreviated description of the item will usually appear in this column.
- 7257
U/M "U/M" is the abbreviation for "Unit of Measure." The MILSTRIP Unit of Issue abbreviation applicable to the item appears in this column.
- 7258
QUANTITY This entry shows the quantity (i.e., the number of Units of Issue) of the item reported as being discrepant or requiring adjustment.

7259	This entry shows the MILSTRIP Document Number (requisition number) under which the discrepant item was delivered to the FMS customer.
DOCUMENT NUMBER	
7260	The "SUPP/ADD" entry contains the same information as shown in the Supplementary Address portion (card columns 4 through 50) of the original requisition. This information consists of the "Option Freight Forwarder Code" and the "FMS Card Identification" described in paragraphs 2269 and 2270 of Chapter 2.
SUPP/ADD	
7261	"M/S" is the abbreviation for "Mode of Shipment." The entry in this column identifies the mode of shipment which was used to deliver the material to the customer. MILSTRIP "Mode of Shipment Codes," shown in Figure 2-23 in Chapter 2, are used for this purpose.
M/S	
7262	"ARC" is the abbreviation for "Adjustment Reply Code." This is a 2-character code used to indicate the nature of the action being taken on the FMS customer's ROID. A listing of these codes and their meaning is provided in Figure 7-4.
ARC	
7263	The entry in the "STATEMENT NUMBER" column is the number of the monthly statement of <u>FMS Transactions</u> in which the adjustment action is being reflected. If it is determined that no adjustment is warranted in response to the FMS customer's request, this column will be left blank.
STATEMENT NUMBER	
7264	This entry shows the "ROID Serial Number" assigned by the FMS customer as described in paragraph 7212, above.
ROID SER NR	
7265	This entry shows the Unit Price of the discrepant item as indicated in NAVILCO's records.
U/P	

FIGURE 7-4
Adjustment Reply Codes

ADJUSTMENT REPLY CODES INDICATING DENIAL OF THE REQUEST

CODE	MEANING
<i>AA</i>	Duplicate billing and/or shipment resulted from receipt of duplicate requisition and duplicate supply action.
<i>AB</i>	Bill reflected correct unit or extended price of material shipped. When used in connection with an accessorial charge request, bills reflect correct rate and extended amount.
<i>AC</i>	Billing was accomplished as specified in the requisition.
<i>AD</i>	Non-reimbursable issue not authorized. Requisition did not show that item was considered non-reimbursable (not applicable to GSA or civilian agencies).
<i>AE</i>	Supplier adjusted unit pack since requisition did not prohibit this action, or, shipment made in accordance with instructions in requisitions.
<i>AF</i>	Authorized substitute in latest supply manual. Requisition did not prohibit substitution.
<i>AG</i>	Claim less than \$100. Loss or gain to be absorbed by customer (not applicable to GSA or civilian agencies).
<i>AH</i>	Request cannot be granted due to age of billing and non-availability of records.
<i>AI</i>	Local records indicate prior reversal of duplicate credit or charge in bill number cited in cc 54-58.
<i>AJ</i>	Credit was granted as a result of FAE/FTE or GAE/GTE request and was processed in accordance with billing instructions cited.
<i>AK</i>	Request for \$10 or less per line item not arising from transportation-type of shipping-type item discrepancies. Loss or gain to be absorbed by customer. (Applicable to other than DOD/GSA activities.)
<i>AL</i>	No adjustments are considered for requests of \$10 or less for shipping-type (item) discrepancies, including lost/damaged parcel post shipments or deficient material. Loss or gain to be absorbed by customer. (Applicable to other than DOD/GSA activities.)
<i>AM</i>	No adjustments are considered for \$15 or less on a single Bill of Lading for transportation-type discrepancies. Loss or gain to be absorbed by customer. (Applicable to other than DOD/GSA activities.)
<i>AN</i>	No adjustments are considered for \$25 or less. Loss or gain to be absorbed by customer.

FIGURE 7-4(2)
Adjustment Reply Codes

ADJUSTMENT REPLY CODES INDICATING GRANTING OF THE REQUEST AND PROVIDING MATERIAL DISPOSITION ADVICE	
CODE	MEANING
<i>BA</i>	Material to be disposed of locally.
<i>BB</i>	Material to be returned to activity designated in cc 4-6.
ADJUSTMENT REPLY CODES NOT REQUIRING SUPPLY ACTION OR CHANGE TO THE INTERIM STATEMENT	
CODE	MEANING
<i>DA</i>	Request was previously processed and credit was granted on bill number entered in cc 54-58.
<i>DB</i>	Request was previously processed and credit was not granted.
<i>DC</i>	No billing action will be taken as material was issued on a non-reimbursable basis. (Not applicable to GSA.)
<i>DD</i>	Billing previously prepared under bill number in cc 54-58.
<i>DF</i>	Unable to render bill since this office has not record of cited requisition/bill number.
<i>DG</i>	Complete duplicate or corrected billing will be furnished.
<i>DH</i>	Bill for cited requisition will be rendered to subsequent billing cycle.
<i>DI</i>	Letter of explanation follows (billing office, when feasible, will enclose FAR/FAS or GAR/GAS or facsimile with letter).
<i>DJ</i>	No record of a previous FAE or GAE. Your FAF or GAF converted to an FAE or GAE.

FIGURE 7-4(3)
Adjustment Reply Codes

**ADJUSTMENT REPLY CODES INDICATING REQUIREMENT
FOR ADDITIONAL DATA FROM THE FMS CUSTOMER**

CODE	MEANING
<i>EA</i>	No record of previous FAE/GAE. Advice Code in cc 59-61 is not valid. Resubmit an FAE/GAE citing valid Advice Code.
<i>EB</i>	Document Number (30-43), excluding Advice Code 041, is incomplete/incorrect; FAE/FAF/GAE/GAF, excluding Advice Codes 019 and 041, contains Signal Code (cc 51) B or K and Supplementary Address (cc 45-50) is incomplete; FAE/FAF contains Advice Code 041 and DODAAD Code (cc 30-35) is incomplete. Review and resubmit.
<i>EC</i>	Bill Number in cc 54-58 is missing/incorrect. Bill Number in 74-80 is missing/incorrect and Advice Code is 011 or 031.
<i>ED</i>	Advice Code not valid in cc 59-61.
<i>EE</i>	NSN (cc 8-22) does not agree with Detail Material Billing Card and Advice Code is not 019, 022, 034, or 041. Review and resubmit.
<i>EF</i>	Records do not indicate duplicate shipment and/or billing or bill number cited. If duplication occurred on another bill, resubmit by letter citing both bill numbers.
<i>EG</i>	Data included in cc 23-24 and cc 74-80, which should be blank. Review and resubmit.
<i>EH</i>	Request submitted under Advice Code 022; however, NSN (cc 8-22) agrees with Detail Material Billing Card NSN. Review and resubmit.
<i>EI</i>	Claim must be supported by appropriate documentation.
<i>EJ</i>	Claim must be supported by confirmation of cancellation.
<i>EK</i>	This office has no record of transaction. Review and resubmit to proper office, if appropriate.
<i>ER</i>	Signal Code (cc 51) is invalid. Review and resubmit (excludes Advice Codes 019 and 041.)
<i>ES</i>	This office has no record of receiving an original or copy of a discrepancy report. Review and resubmit an FAE with a copy of discrepancy report to this Accounting and Finance Office, if appropriate.

7266

ADJ \$ VAL

"ADJ \$ VAL" is the abbreviation for "Adjustment Dollar Value." The entry in this column is the amount of the adjustment being made by the U.S. Navy. If the customer is being credited the letters "CR" will appear immediately to the right of the amount.

7267

CASE TOTALS

On the bottom line of the last page of the listing for each included in the Reply Listing to Customer Requests for Adjustments, there are three entries to the right of the "Case Totals" entry. These entries are:

- . "COUNT," which shows the total number of "FKG" entries included on the listing for this case
- . "CREDIT \$ VALUE," which shows the total dollar value of credits granted to the customer under the applicable FMS case as a result of adjustment actions listed in this report
- . "DEBIT \$ VALUE," which shows the total dollar value of charges (if any) against the applicable FMS case as a result of adjustment actions listed in this report.

7300

SECTION C--AREAS OF SPECIAL INTEREST

7301

EXPLANATION OF
"WITHIN ONE YEAR
OF SHIPMENT OR
BILLING"

Paragraph 7201 states that ROIDs will not be accepted if they are received by NAVILCO "more than one year after the date when title of the material was transferred to the FMS customer, or one year after the material has been reported in a FMS Delivery Listing, whichever is later." Paragraphs 7203 and 7236 use the wording "date of shipment or billing, whichever is later" and "date of shipment or inclusion in an FMS Delivery Listing."

The vast majority of FMS shipments are made by methods which involve a transfer of material ownership, or title, from the U.S. Government to the FMS customer country at the time the material is shipped from the source of supply. Therefore, the "date of shipment" is usually the "date of title transfer" and the two wordings are used interchangeably. "Date of shipment" (or "shipping date") is used more frequently, because it is shorter. However, in those instances when the date of shipment and date of title transfer are not the same, the date of title transfer is the proper date which should be used in calculating the one-year period.

Similarly, the phrases "date of billing" and "date material has been reported on a FMS Delivery Listing" mean the same things and are used interchangeably. In calculating the time limit within which ROIDs must be submitted, the FMS customer should determine whether the date of title transfer ("shipping date" or "date of shipment") or the billing date ("date of billing" or "date material is reported on a FMS Delivery Listing") is later. To whichever date is later, one year should be added. The result is the date by which NAVILCO must receive the ROID for it to be considered.

7302

CONSOLIDATED
SHIPMENTS, A
COMMON CAUSE OF
INVALID ROIDS

Paragraphs 7111 and 7112 stress the importance of thorough investigation to ensure that a suspected discrepancy is a true discrepancy before preparing and submitting a ROID. A common cause of invalid ROIDs stems from the shipment consolidated practices that are followed by the U.S. supply system.

FMS customers will frequently receive consolidated shipments in which several items, each applicable to a separate requisition, are shipped to the customer in a single container. Frequently the external markings on the container and bill of lading (manifest, waybill, etc.) will show only one of the many requisition numbers applicable to material inside the container. This number is called the "lead document number."

The FMS customer's freight forwarder is often not permitted to open containers. In such a situation, the freight forwarder will record only the lead document number for a consolidated shipment, and only one item will be reported as having been shipped. Unless the container is opened promptly upon receipt in the FMS customer country the entire shipment may continue to be processed as if it contained only the item represented by the lead document number. Until the container is opened and its contents checked, the FMS customer will not realize that many items, applicable to many requisitions, have been received.

When the items, other than that represented by the lead document, appear on the monthly statement of FMS Transactions, the FMS customer is likely to prepare and submit a ROID in the mistaken belief that material has not been received. The customer is handicapped by the delay in gaining use of the material until the confusion is

7302

(Continued)

resolved, and by the needless effort of preparing and processing the ROID. Similarly, the U.S. supply system also expends needless effort in investigating the ROID to resolve the confusion.

To avoid these delays and unnecessary work, FMS customers are urged to open containers and check their contents promptly after material arrives in the customer country.

7303

RETURN OF
DISCREPANT
MATERIAL TO
THE U.S.

In some discrepancy situations (e.g., too much material shipped, wrong material shipped), the FMS customer will be directed to return discrepant material to a U.S. activity, and will be advised that credit is to be granted for the material. Shipment of the material to be returned should be made promptly, and NAVILCO should be provided with a copy of the shipping documents. The FMS customer will not be granted credit until NAVILCO receives copies of the shipping document confirming return of the discrepant material.

7304

ROID FOLLOW-UP

In most instances, NAVILCO does not have sufficient information in its files to resolve ROIDs. This means that the necessary data must be obtained from other organizations in the U.S. supply system. This is a time-consuming process. Therefore, FMS customers should refrain from ROID follow-up until at least 120 days after receipt of NAVILCO acknowledgement that the original ROID has been received.

If follow-up is initiated, it should be by letter. Do not prepare and submit a duplicate ROID or use another ROID to follow-up on the first. Also, since ROIDs are not MILSTRIP transactions, do not prepare a MILSTRIP follow-up for a ROID.

7305

IMPORTANCE OF
COMPLETE
DOCUMENTATION

Paragraph 7237 states that copies of pertinent documents should accompany ROIDs which are submitted to NAVILCO. The importance of careful preparation and providing complete data to enable processing of the ROID by NAVILCO cannot be overemphasized. Be sure that:

- . All available information is entered on the ROID (Standard Form 364).
- . The ROID is signed.
- . Each ROID is applicable to only one discrepant transaction.

REFERENCES FOR CHAPTER 7

MILSTRIP/MILSTRAP Operating Procedures Manual

Naval Supply Systems Command (NAVSUP) Publication 437
(NSN 0530 LP 170 0083)

Reporting and Processing of Discrepancy Reports Against
Foreign Military Sales Shipments

Defense Supply Agency (DSA) Regulation 4140.60

Naval Supply Systems Command Instruction (NAVSUPINST)
4920.9

CHAPTER 8... FINANCIAL OPERATIONS

CHAPTER 8. FINANCIAL OPERATIONS

TABLE OF CONTENTS

	<u>Page Number</u>
8100 SECTION A--INTRODUCTION	8-1
8110 Introduction	8-1
8120 NAVCOMPT	8-1
8121 NAVILCO	8-1
8122 SAAC	8-2
8130 Price of Material or Services	8-2
8131 Administrative Costs	8-2
8132 Accessorial Costs	8-4
8133 Asset Use Costs	8-6
8134 Non-Recurring Costs	8-6
8135 Other Costs	8-6
8200 SECTION B--TERMS OF SALE AND BILLING AND COLLECTION PROCEDURES	8-7
8210 Terms of Sale	8-7
8211 Terms of Sale; Cash	8-7
8212 Terms of Sale; Credit	8-10
8213 DOD Direct Credit Agreements	8-10
8214 U.S. Government Guaranteed Loans	8-11
8215 Cooperative Logistics Supply Support Arrangements	8-11
8220 Billing and Collection Procedures: Introduction	8-12
8221 DD Form 1513; Financial Annex	8-12
8222 Financial Annex; Payment Schedule	8-12
8223 Payment Schedule Revisions	8-14
8224 FMSO-II and Repair Part Replenishment Cases	8-14
8225 Billing and Collecting	8-14
8230 DD Form 645; FMS Billing Statement	8-15
8231 DD Form 645; Heading and Blocks 1 Through 5	8-16
8232 DD Form 645; Column 6	8-21
8233 DD Form 645; Column 7	8-22
8234 DD Form 645; Column 8	8-22

8235	DD Form 645; Column 9	8-23
8236	DD Form 645; Column 10	8-23
8237	DD Form 645; Administrative/Accessorial Line Entries	8-24
8238	DD Form 645; Progress Payments Line Entry	8-24
8239	DD Form 645; Case Total Entry	8-25
8240	DD Form 645; Column 11	8-25
8241	DD Form 645; Column 12	8-26
8242	DD Form 645; Column 13	8-26
8243	DD Form 645; Column 14	8-26
8244	DD Form 645; Bill Total Entry	8-26
8245	DD Form 645; Review Process Portion	8-27
8250	The Final Statement of FMS Transactions	8-27
8260	Collection Procedures	8-31
8270	FMS Delivery Listing, General	8-32
8271	FMS Delivery Listing, Heading	8-32
8272	FMS Delivery Listing, "DOC I/D"	8-33
8273	FMS Delivery Listing, "SHP DPT"	8-34
8274	FMS Delivery Listing, "ENA"	8-34
8275	FMS Delivery Listing, "Stock Number"	8-34
8276	FMS Delivery Listing, "U/M" and "Quantity or Amount"	8-34
8277	FMS Delivery Listing, "Document Number"	8-34
8278	FMS Delivery Listing, "SUP ADDR"	8-35
8279	FMS Delivery Listing, "M/S"	8-35
8280	FMS Delivery Listing, "ARC"	8-35
8281	FMS Delivery Listing, "STMT NR"	8-35
8282	FMS Delivery Listing, "DATE SHIP"	8-35
8283	FMS Delivery Listing, "UNIT PRICE"	8-35
8284	FMS Delivery Listing, "Extended Value"	8-35
8300	SECTION C--AREAS OF SPECIAL INTEREST	8-37
8310	Case Closure	8-37
8311	Reopening of Closed Cases	8-37
8320	Price Increase Controls, General	8-38
8330	Summary	8-38

I N D E X O F F I G U R E S

		<u>Page Number</u>
8-1	Terms of Sale/Type of Assistance (T/A) Combinations	8-8
8-2	Illustration of a Financial Annex With Payment Schedule	8-13
8-3	FMS Billing Statement, DD Form 645	8-17
8-4	FMS Delivery Listing	8-19
8-5	Final FMS Billing Statement, DD Form 645	8-29

CHAPTER 8. FINANCIAL OPERATIONS

8100 SECTION A--INTRODUCTION

8110 FMS financial operations are related to nearly all topics discussed in other chapters of this manual. An understanding of the financial processes and procedures requires some familiarity with the following areas:

INTRODUCTION

- . FMS pricing
- . "Terms of Sale" used in FMS cases
- . Billing and collection procedures.

This chapter will provide the FMS customer with necessary information on these topics.

The Arms Export Control Act of 1976 requires that the U.S. military services recover the full costs of material and services furnished under the FMS program. Additionally, it stipulates that the U.S. Government will not "make a profit" from the FMS program. The pricing of items supplied, as well as surcharges which may be applied, reflect this requirement.

8120 In addition to responsibilities involving funds distribution, accounting, control and reporting to agencies within the U.S. Government, NAVCOMPT provides policy and procedural guidance to U.S. Navy activities involved in the FMS process.

NAVCOMPT

8121 NAVILCO is designated as the financial administrator for Navy-sponsored FMS programs. Upon receipt of authority from SAAC, via NAVCOMPT, NAVILCO provides for the distribution of funds to United States Government activities participating in Navy-sponsored FMS programs. NAVILCO operates an accounting system used to control the obligations and expenditures incurred by activities participating in Navy-sponsored FMS programs. NAVILCO, via NAVCOMPT, is the central point of contact between the Navy and SAAC for detailed financial matters.

NAVILCO

8122

SAAC

As previously indicated, SAAC, under the direction and supervision of DSAA is responsible for all aspects of financial matters between the FMS customer country and the U.S. Department of Defense. SAAC handles billing and collection procedures with customer countries, reimbursement to U.S. Government appropriations, financial monitoring, and status reporting and accounting both during the life of the case and at the time of final case closure.

8130

PRICE OF
MATERIAL
OR SERVICES

The price of material sold from U.S. Government stock to a foreign country is normally the replacement cost to the U.S. Department of Defense. This cost will reflect the unit price charged by the supply system for issues made to U.S. Government activities. If, however, the item is to be replaced by purchase within one year, and the anticipated purchase price is higher than the current issue price, the customer country will be charged the anticipated purchase price.

The price of items of material procured for FMS customers is the full cost charged to the U.S. Government by the supplier.

In addition to the unit cost itself, additional associated costs are reflected in the material/service pricing. These can include the costs for services performed by U.S. Department of Defense personnel and the costs associated with the use of U.S. Government-owned facilities.

8131

ADMINISTRATIVE COSTS

An administrative charge is added to all FMS cases to recover U.S. Government costs associated with the execution and management of the FMS program. Categories of these costs include, but are not limited to, the following:

- . Sales negotiations
- . Price and availability preparation
- . Case implementation

(Continued)

- . Routine procurement/contract administration
- . Processing Reports of Item Discrepancy (ROID) for overage, shortage, damage item deficiency and duplicate billing
- . Program control
- . Training case administration at command headquarters level.

Administrative costs are normally assessed as a fixed percentage of the unit price of an item. The following are the currently prescribed administrative charge percentages:

- . Supply Support Arrangements - 5 percent of the on-hand portion of the FMSO I case, including any amendments which increase the on-hand portion's value. No surcharge is applied to the FMSO I on order portion of inventory. A 3 percent charge is made on requisitions processed under FMSO II cases.
- . Non-standard articles - 5 percent of the basic sales price.
- . Other FMS orders - dependent upon date of case implementation by the U. S. Navy, as follows:
 - 29 January, 1970 to 9 March, 1977: 2 percent or actual expense
 - 10 March, 1977 to 30 September 1977: 2 percent
 - 1 October, 1977 to present: 3 percent (Amendments to cases implemented prior to 1 October 1977 will be assessed a 2 percent charge).

8132

ACCESSORIAL
COSTS

Accessorial costs represent expenses which have been incurred by the U.S. Government in the issue, sale and/or transfer of materials which are not included in the unit price of the material nor are these expenses recovered by the administrative change. Accessorial costs are generally identified in three categories:

- . Packing, Crating and Handling (PCH) Costs. The costs incurred in DOD facilities for labor, materials, or services in picking up requisitioned articles from storage or distribution points and processing necessary material release confirmation documents. These costs are incurred on all articles sold from stock to FMS customers.
- . Transportation Costs. The cost of DOD-provided or -financed inland transportation (land, air, inland and coastwise waterways) in the United States and outside the United States, and overseas transportation by vessel or air; includes parcel post via surface or air.
Note: Normally transportation of FMS material will be on commercial collect bill of lading to a customer country's freight forwarder.
- . Port Loading and Unloading Costs. The cost of DOD-provided or -financed labor, materials or services for loading, unloading and handling at the ports of embarkation and debarkation. The transportation charges for the use of the DOD transportation system identified below include applicable loading and unloading costs.

The rates accessed to an FMS customer are identified as follows:

<u>TYPE OF COST</u>	<u>EXPLANATION</u>	<u>PERCENTAGE</u>
Packing Crating Handling	Preparation of material with a unit price of \$50,000 or less	3.5%
	Preparation of material with a unit price greater than \$50,000	
	First \$50,000	3.5%
	Remaining \$	1%
Transportation	(Includes port loading and handling where applicable)	
Parcel Post	Shipment from point of origin to a continental United States destination including shipments to freight forwarders	3.75%
*Delivery Terms Code (5)	Shipment from point of origin to a U.S. port of exit or to a freight forwarder in the U.S.	3.75%
*Delivery Terms Code (6)	Shipment from point of origin (including ocean transportation) to an overseas port of discharge in Europe, Latin America, and the Mediterranean	10.25%
*Delivery Terms Code (6)	Shipment from point of origin (including ocean transportation) to all other overseas ports of discharge	12.25%
*Delivery Terms Code (7)	Shipment from point of origin (including ocean transportation) to a specified overseas inland destination in Europe, Latin America, and the Mediterranean	14.25%
*Delivery Terms Code (7)	Shipment from point of origin (including ocean transportation) to a specified overseas inland destination in all other countries	16.25%
*Delivery Terms Code (8)	Shipment from point of origin to and including unloading, handling and storage aboard vessel at U.S. port of exit	6.25%

8132

(Continued)

<u>TYPE OF COST</u>	<u>EXPLANATION</u>	<u>PERCENTAGE</u>
*Delivery Terms Code (9)	Shipment from point of origin to and including vessel discharge at an over-seas port in Europe, Latin America, and the Mediterranean	11.25%
*Delivery Terms Code (9)	Shipment from point of origin to and including vessel discharge at all other overseas ports	13.25%

* Additional information on delivery terms codes is available in Chapter 2, paragraph 2262.

8133

ASSET USE
COSTS

Asset use charges reflect costs for the use of U.S. Government plant and production and production equipment. The charges are applied as a percentage of the direct costs being billed. In the case of training, the percentage is applied to the entire course cost. Normally, asset use costs are 1 percent of the material base price for articles sold from DOD inventories and 4 percent of the direct cost for all other cases involving the use of DOD facilities. FMSO II material issues are considered sales from DOD inventories and are assessed at 1 percent.

8134

NON-RECURRING

Non-recurring production costs and research and development costs are charged in instances where the same items are used by both the U.S. Government and the FMS customer. Costs of this nature are allocated proportionately to the U.S. Government and the FMS customer.

8135

OTHER COSTS

Costs not specifically identified in paragraphs 8130 through 8134 but which are directly related in the provision of FMS material or services are proper charges to the FMS customer.

8200 SECTION B--TERMS OF SALE AND BILLING AND
COLLECTION PROCEDURES

8210 FMS cases can be financed under two
TERMS OF "Terms of Sale": cash or credit. On an
SALE LOA a "Term of Sale" will be accompanied by
a "Type of Assistance" code. This combina-
tion provides the following information con-
cerning the sale:

- . The time of payment
- . The source of supply (DOD stocks
or procurement)
- . The type of financing (cash or
credit).

Several such combinations may be used
on FMS case. This flexibility is provided
to permit adapting each FMS case to the
situation involved. For example, it may be
desirable to provide for more than one sup-
ply source and payment arrangement because
of the number and types of articles or ser-
vices being provided under the FMS case.

Figure 8-1 provides a description of
these combinations. This information is
reflected in Block 27 of DD Form 1513
(Figure 1-4).

8211 Under this Term of Sale, the customer
country either pays cash in full with the
TERM OF LOA acceptance or makes an initial deposit
SALE; CASH with LOA acceptance. The Security Assistance
Accounting Center (SAAC) must be in receipt
of the initial deposit (or full value in
cases of cash with acceptance) before a case
can be implemented.

As described in Chapter 1, the FMS pro-
cess involves many organizations. For this
reason, some delay can be expected between
the point of LOA signature by the customer
country and the point of actual implementa-
tion by the appropriate Case Administering
Office (CAO). SAAC, as an example, must

FIGURE 8-1
Terms of Sale/Type of Assistance (T/A)
Combinations

TERMS OF SALE/TYPE OF ASSISTANCE COMBINATIONS			
	TERMS OF SALE	TYPE OF ASSISTANCE	DEFINITION
1.	"Cash with Acceptance"	Code 3	Advance cash payment for articles from DOD stocks, and for DOD services the performance of which is to begin within 3 months after acceptance of the offer.
2.	"Payment Prior to Commencement of Performance"	Code 3	Advance cash payment for DOD services the performance of which is to begin no later than 3 months after acceptance of offer.
3.	"\$ _____ Initial Deposit; Balance Prior to Commencement of Performance"	Code 3	Combination of above.
4.	"\$ _____ Initial Deposit; Balance as Billed"	Code 4	Cash sale from source of supply not yet determined at time of offer.
5.	"Cash with Acceptance"	Code 5	Advance cash payment for articles and services from DOD procurement to be delivered/begun to be performed within 3 months after acceptance of offer.
6.	"Dependable Undertaking"	Code 5	Advance cash payment for articles and service from DOD procurement to be delivered/begun to be performed no later than 3 months after acceptance of offer.
7.	"\$ _____ Initial Deposit; Balance on Dependable Undertaking"	Code 5	Combination of the above.
8.	"Payment on Delivery"	Code 6	Cash payment on delivery of articles from DOD stocks.

FIGURE 8-1(2)
Terms of Sale/Type of Assistance (T/A)
Combinations

TERMS OF SALE/TYPE OF ASSISTANCE COMBINATIONS			
	TERMS OF SALE	TYPE OF ASSISTANCE	DEFINITION
9.	"Payment on Commencement of Performance"	Code 6	Cash payment on commencement of performance of DOD services.
10.	"Payment on Delivery/Commencement of Performance"	Code 6	Combination of the above.
11.	"Dependable Undertaking with 120-Day Payment"	Code 7	Cash payment 120 days after delivery/commencement of performance of articles and services from DOD procurement.
12.	"Payment 120 Days After Delivery"	Code 8	Cash payment 120 days after delivery of articles from DOD stocks.
13.	"Payment 120 Days After Commencement of Performance"	Code 8	Cash payment 120 days after commencement of performance of DOD services.
14.	"Payment 120 Days After Delivery/Commencement of Performance"	Code 8	Combination of the above.
15.	"\$_____ Initial Deposit; Balance as Billed"	Code U	Foreign Military Sales Order (FMSC) No. 1.
16.	"\$_____ Initial Deposit; Balance as Billed"	Code V	Foreign Military Sales Order (FMSO) No. 2.
17.	"Credit Agreement (insert purchaser) (insert 3-digit credit agreement) dated (insert date)"	Code Z	Sale of Articles or services from DOD stocks or procurement, financed entirely or in part by DOD direct or guaranteed FMS credit.

8211

(Continued)

first verify that all financial and procedural requirements have been met. Then official "Obligational Authority" (authority for a CAO to initiate orders) must be processed through several U.S. Government agencies before the CAO receives authority from NAVILCO to implement the case.

When the customer country pays an initial deposit, SAAC will bill the unpaid portion of the case. This center provides the customer with a single source to which payments are made and to which queries concerning these payments can be made.

8212

TERM OF
SALE; CREDIT

Credit Sales can be arranged under two programs: DOD Direct Credit Agreements or U.S.G. Guaranteed Loans. Credit cases are administered by the Defense Security Assistance Agency (DSAA). Customer payments of principal and interest, for items received under credit sales, are based upon the terms of individual credit agreements.

8213

DOD DIRECT
CREDIT
AGREEMENTS

Under a DOD Direct Credit Agreement, the customer country negotiates with DSAA to determine the defense articles and services to be furnished, the credit limits, and terms of repayments and interest charges. Credit arrangements can be made at any time. Individual FMS cases can be financed partly in cash and partly on credit. The customer must insure that the value of orders placed under such financing does not exceed the amount of available credit. DSAA will monitor orders placed and, as required, inform the customer when the credit is fully utilized. The customer will receive periodic billings from DSAA through SAAC for principal and interest repayment based upon the terms of the credit agreement (cited on the Letter of Offer) and the completed promissory notes previously submitted by the customer country. Installment payments of principal and interest must be made directly to DSAA.

8214
USG
GUARANTEED
LOANS

When credit agreements stipulate that all or part of the credit financing is to be provided to a customer country from private commercial sources, the U.S. Government has authority to provide a guaranty to the Federal Financing Bank (FFB) for loans extended to finance FMS agreements and commercial military sales. This procedure is designed to assist both the purchasing country and the supply source in reaching mutually acceptable business arrangements and is sometimes referred to as a Military Sales Guaranty. Guaranty financing requires an agreement between the commercial financing source and the customer country, which outlines terms of repayment of the loan, interest notes, documentation required, etc. A major difference between direct DOD Credit Agreements and U.S.G. Guaranteed loans is the way in which the interest rate is determined and applied. The billing process is identical to that under Direct Credit Agreements. Upon receipt of billings, the purchasing country is responsible for furnishing required documentation to the commercial source involved. Payments to satisfy billings are made directly to the Federal Reserve Bank of New York (FFB account) and subsequently transferred to the Security Assistance and Accounting Center (SAAC).

8215
COOPERATIVE
LOGISTICS
SUPPLY
SUPPORT
ARRANGEMENTS

The financial arrangements associated with Cooperative Logistics Supply Support Arrangements require special explanation. (Refer to Chapter 4.) The FMSO I case requires the customer to provide an initial deposit equal to the amount of estimated "on-hand equity." Under the FMSO I a customer also agrees to a responsibility for the value of the on-order requirement. This requirement is funded by dependable undertaking. Normally, FMSO II billings provide the cash necessary to finance contract deliveries of stocks on order. However, under conditions of renegotiation or termination the customer may be assessed a billing representing on-order requirements which will not be supported by subsequent demands. As stated in Paragraph 8131, the FMSO I also includes a 5 percent administrative charge.

8215

(Continued)

The FMSO II case requires an initial deposit equal to the estimated value of deliveries within the first three months. Thereafter, billings are based upon anticipated requirements within the succeeding three-month period. The FMSO II case includes estimates for accessorial charges and a 3 percent administrative charge. Additionally, the FMSO II includes a storage charge equal to a 1.5 percent of the current FMSO I on-hand value.

8220

BILLING AND
COLLECTION
PROCEDURES;
INTRODUCTION

As previously mentioned, SAAC provides a central point of contact for the customer country for all billing and collection matters. All U.S. agencies involved in the FMS process provide logistics and financial information to SAAC via NAVILCO and NAVCOMPT.

8221

DD FORM 1513
FINANCIAL
ANNEX

All DD Forms 1513 contain Financial Annexes. The purpose of the annex is to provide a clear understanding between the customer country and the USG as to the rate and timing of the payments to be made and to amplify the "Terms" of the DD Form 1513. The annex thus provides budgetary planning data for the customer country. Figure 8-2 depicts a typical Financial Annex.

8222

FINANCIAL
ANNEX;
PAYMENT
SCHEDULE

Except for FMSO II and repair part replenishment cases, all financial annexes contain a payment schedule. Payment schedules project quarterly deposits due as of the 15th day of the last month of each calendar quarter—this date is normally the same as the due date of the quarterly billing statement. Each deposit amount should be sufficient to cover all costs and contingencies anticipated to be incurred on the purchaser's behalf during the quarter immediately following the schedule payment. More specifically, a March 15 deposit requirement should provide for incremental payment of material, progress payments, services, administrative charges, accessorial charges, holdback, R&D, and any other applicable contingency or add-on costs through June 30.

FIGURE 8-2
Illustration of a Financial Annex
With Payment Schedule

**SUPPLEMENTARY FINANCIAL TERMS AND CONDITIONS—
PROCUREMENT FOR CASH SALES (DEPENDABLE UNDERTAKINGS)**

This transaction is financed under dependable undertaking terms of sale pursuant to Section 22(a) of the Arms Export Control Act and predecessor legislation. This document supplements the obligation of the Purchaser under paragraph B.3.c. of Annex A of the Letter of Offer and Acceptance (DD Form 1513).

The Purchaser agrees to pay to the USG such amounts at such times as may be required by the U.S. Government (including any initial deposit set forth under "Terms") in order to meet payments required by contracts under which items are being processed.

Quarterly billings for amounts due under this agreement will be forwarded by the Security Assistance Accounting Center (SAAC), and payments (in U.S. dollars) will be forwarded to that organization in time to meet prescribed due dates. The Statement of Foreign Military Sales Transactions, DD Form 645, will serve as a statement of account and as a billing statement Attachment 1 will be an "FMS Delivery Listing".

Billings will be forwarded by the SAAC not later than 45 days before such payments are due. Requests for duplicate billings, accessorial and administrative adjustments should be submitted to SAAC. Requests for supply adjustments are made to NAVILCO.

In the event full payment is not made by the prescribed due date, interest shall be charged as outlined in General Conditions, paragraph B.3.g. of Annex A of the Letter of Offer (DD Form 1513).

To assist the Purchaser in developing fiscal plans and annual budgets, the U.S. Government provides its best estimate of anticipated costs of this case in the following payments schedule:

Case LT-P-LAT

ESTIMATED PAYMENT SCHEDULE

<u>Payment Date</u> <u>Initial Deposit</u>	<u>Amount</u>
30 Jun 80	\$18,329
30 Sep 80	13,492
31 Dec 80	73,316

It is emphasized that the initial deposit of \$ 18,329 must accompany the purchaser's Letter of Acceptance as an integral part of acceptance. The above estimated payments schedule is provided for the convenience of the purchaser—it is neither binding on the U.S. Government nor will it be used as the basis for requesting payments from the purchaser. The purchaser will be required to make payments in accordance with quarterly billings, DD Form 645, issued by the SAAC. In the event the actual cash requirements differ materially from the Estimated Payments Schedule, the United States will use its best efforts to provide a revised payments schedule (DD Form 1513-2) at least 45 days prior to the next payment due date.

It is understood that the values reflected on the Letter of Offer and Acceptance are estimates, and the final amount to be charged for items or services furnished will be equal to the final total cost to the United States. When final deliveries are made, and all costs are known, the SAAC will provide a "Final Statement of Account" which will indicate final costs of the case. Should this amount be more than funds collected, a final billing (immediately due and payable) will be concurrently provided. Should the amount be less than funds collected, such funds will be refunded upon subsequent request, or otherwise disposed of at the option of the purchaser, unless payments are overdue against other Foreign Military Sales cases.

8222

(Continued)

If initial deposits are required upon acceptance of a sales agreement; the amount of initial deposits includes all costs and contingencies (e.g., contract holdback, potential termination liability) anticipated to be incurred until the first billing statement can be rendered and monies collected.

8223

Revisions to a payment schedule are made when:

PAYMENT
SCHEDULE
REVISIONS

- . Price increases or decreases result in substantive changes to the rates of payment shown on the existing Financial Annex
- . Actual cash expenditures experienced by the U.S. Navy for FMS transactions exceed the cash flow received from the customer country in accordance with the existing payment schedule
- . A formal amendment (DD Form 1513-1) is made which adjusts the case total value.

Except for formal amendments, the DD Form 1513-2, Notice of Modification, is used to advise the customer country of revisions to the payment schedule.

8224

FMSO II AND
REPAIR PART
REPLENISHMENT
CASES

Replenishment cases are not conducive to payment schedules because of the inconsistent pattern of demands against these types of cases. Therefore, in lieu of a payment schedule, payments are based directly upon active demands against the case.

8225

BILLING AND
COLLECTING

Upon receipt of a signed, accepted DD Form 1513, SAAC verifies that the required initial deposit has been remitted. The FMS case may then be implemented by the sponsoring U.S. service (Navy). (The FMS customer is notified by message that a "Pull" case has been implemented and that requisitions may be submitted to NAVILCO.) Thereafter, quarterly, the case will be included in a Foreign Military Sales Billing Statement, DD Form 645, which is prepared by SAAC.

8225

(Continued)

The DD Form 645 will include a set of entries for each active FMS case. The DD Form 645 identifies the forecasted funding requirements for the succeeding 90-day period. In conjunction with this forecast, the billing statement identifies the cumulative current financial requirements including the 90-day forecast, and the amount of payments received. The amount due and payable is equal to the cumulative financial requirements, including the succeeding 90-day forecast, minus the total amount of payments received. Upon receipt of the DD Form 645, the customer should forward a check, payable to the Treasurer of the United States. The applicable FMS case should be clearly identified on each check. The checks should arrive at SAAC no later than the due date shown in the heading of the statement.

Upon receipt of payment, SAAC deposits the funds and records the collection, crediting the customer's account. All payments received and deposited are reflected in the next billing statement.

This process of reporting, billing, and collecting from the FMS customer continues for each FMS case until all deliveries under the case have been completed, all financial charges have been reflected in billing statements, and final payment has been received by SAAC from the FMS customer. When all of this has taken place a separate, final statement is sent by SAAC, and the case is considered complete and closed.

8230

DD FORM 645,
FMS BILLING
STATEMENT

Paragraph 8225 provides a general overview of the FMS billing and collection cycle, including a brief description of the FMS Billing Statement, DD Form 645. The billing statement serves as a billing document (request for payment from the FMS customer); its contents are described in the following paragraphs.

(Continued)

The DD Form 645 contains summary sections for each open FMS case. There is a separate line entry for each record serial number (RSN) item which indicates current and projected delivery and financial information.

There are separate line entries for administrative fees chargeable to the case and accessorial costs chargeable to the case. Another separate line entry indicates the cumulative value of progress payments chargeable to the case. The "case total" line entry is a total of all of the above figures.

A final "bill total" line entry at the end of the statement summarizes each of the categories of financial information cited above for all FMS cases reported. In addition, there is a section containing explanatory notes, payment instructions, and the signatures of those U.S. officials who have reviewed and authenticated the statement.

The FMS Billing Statement includes, as a separate attachment, an FMS Delivery Listing for each FMS case shown on DD Form 645. The listing gives detailed information for each delivery made against the case during the quarter for which the report is submitted. Figure 8-3 shows an example of the FMS Billing Statement. Paragraphs 8231 through 8270 explain report entries for the DD Form 645 in greater detail. Figure 8-4 shows an example of the FMS Delivery Listing. Paragraphs 8270 through 8283 explain delivery listing entries in greater detail.

DD FORM 645
HEADING AND
BLOCKS 1
THROUGH 5

The heading of the Foreign Military Sales Billing Statement, DD Form 645, shows the title of the form. In the right-hand section of the heading is an indication of which U.S. Military department has cognizance of the FMS case for which the report is submitted. Statements forwarded to FMS customers from SAAC always show the word "Navy" immediately following the words "Department of Defense" for cases which are administered by the U.S. Navy.

FIGURE 8-3
FMS Billing Statement
DD Form 645

UNITED STATES OF AMERICA DEPARTMENT OF DEFENSE/NAVY				
NUMBER: 3 PE	4. FOR PERIOD ENDED: 79 MAR 31	5. DATE PREPARED: 79 APR 13		
FINANCIAL STATUS				
HAVE STTS & PROCESS	11. FORECASTED REQUIREMENTS (NOTE A)	12. TOTAL FINANCIAL REQUIREMENTS	13. CUMULATIVE PAYMENTS RECEIVED	14. AMOUNT DUE AND PAYABLE
,76.50				
,76.43				
1.53				
3.97				
5.86				
,4.29	15,840.00	67,094.29	57,846.00	9,248.29
,10.79	1,276,080.08	10,973,360.87	8,782,450.93	2,190,909.94
EXPLANATORY NOTES				
THE TERMS OF THE U.S. PUBLIC LAW, THE ARMS EXPORT CONTROL ACT, REQUIRE THE COMMIT OF DEFENSE TO COLLECT PAYMENTS FROM FOREIGN PURCHASERS IN ADVANCE OF THE TIME WHEN IT INCURS COSTS ON THE PURCHASER'S BEHALF. THEREFORE, THIS BILLING STATEMENT REPRESENTS PAYMENT OF MONIES THAT ARE ANTICIPATED TO BE EXPENDED BETWEEN THE TIME THIS BILLING STATEMENT IS PAID AND THE FOLLOWING BILLING STATEMENT IS PAID.				
CASES CLOSED DURING THE CURRENT PERIOD.				
PAYMENT INSTRUCTIONS				
WHEN PAYMENT IS DUE, YOUR CHECK IN U.S. DOLLARS, MADE PAYABLE TO THE TREASURER OF THE UNITED STATES, SHOULD BE FORWARDED DIRECTLY TO:				
DISTANCE ACCOUNTING CENTER DISTANCE ACCOUNTING AND FINANCE CENTER BOX 80279 USA				

FIGURE 8-3
FMS Billing Statement
DD Form 645

FOREIGN MILITARY SALES BILLING STATEMENT				UNITED STATES OF AMERICA DEPARTMENT OF DEFENSE/NAVY				
1. TO: LATONIA NAVY		2. THIS IS A BILLING STATEMENT BASED ON CASH REQUIREMENTS. PAYMENT IS DUE BY: 79 JUN 15		3. STATEMENT NUMBER: 79-03 PE		4. FOR PERIOD ENDED: 79 MAR 31		5. DATE PREPARED: 79 APR 13
CASE IDENTIFICATION AND DELIVERY STATUS				FINANCIAL STATUS				
6. CASE & RSN	7. TOTAL VALUE ORDERED	8. CUMULATIVE DELIVERY COSTS END PRIOR PERIOD	9. CURRENT PERIOD DELIVERY COSTS (ATTACHMENT 1)	10. CUMULATIVE DELIVERY COSTS & WORK IN PROCESS	11. FORECASTED REQUIREMENTS (NOTE A)	12. TOTAL FINANCIAL REQUIREMENTS	13. CUMULATIVE PAYMENTS RECEIVED	14. AMOUNT DUE AND PAYABLE
LAT 4R1	54,442.00	22,009.00	3,567.50	25,576.50				
AN/BOQ 21 4R2	14,400.00	2,076.43		2,076.43				
SPARE PARTS								
L6A	2,065.00	674.50	107.03	781.53				
ADMINISTRATIVE FEE								
L00	2,409.00	480.19	133.78	613.97				
ACCESORIAL COSTS								
P/P				22,205.86				
PROGRESS PAYMENTS								
CASE TOTAL	73,316.00	25,240.12	3,808.31	51,254.29	15,840.00	67,094.29	57,846.00	9,248.29
BILL TOTAL	12,576,833.90	5,976,280.29	1,687,000.50	9,697,280.79	1,276,080.08	10,973,360.87	8,782,450.93	2,190,909.94
REVIEW PROCESS				EXPLANATORY NOTES				
SIGNATURE				NOTE A: THE TERMS OF THE U.S. PUBLIC LAW, THE ARMS EXPORT CONTROL ACT, REQUIRE THE DEPARTMENT OF DEFENSE TO COLLECT PAYMENTS FROM FOREIGN PURCHASERS IN ADVANCE OF THE TIME THAT DOD INCURS COSTS ON THE PURCHASER'S BEHALF. THEREFORE, THIS BILLING STATEMENT REQUESTS PAYMENT OF MONIES THAT ARE ANTICIPATED TO BE EXPENDED BETWEEN THE TIME THIS BILLING STATEMENT IS PAID AND THE FOLLOWING BILLING STATEMENT IS PAID. * DENOTES CASES CLOSED DURING THE CURRENT PERIOD.				
ANALYST: _____								
BRANCH CHIEF: _____								
QUALITY ASSURANCE: _____								
AUTHENTICATION				PAYMENT INSTRUCTIONS				
SIGNATURE				IF A PAYMENT IS DUE, YOUR CHECK IN U.S. DOLLARS, MADE PAYABLE TO THE TREASURER OF THE UNITED STATES, SHOULD BE FORWARDED DIRECTLY TO: SECURITY ASSISTANCE ACCOUNTING CENTER AIR FORCE ACCOUNTING AND FINANCE CENTER DENVER, CO, 80279 USA				
C.K. Unger, CPA DIRECTOR, SAAC								

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FIGURE 8-4
FMS Delivery Listing

TESTING
79-03 PE
RSN: 4R1

PERIOD ENDING 79 MAR 31
DATE PREPARED 79 MAR 13

ACTG	T B		DATE	UNIT	EXTENDED
DATE	C	DSC	SHIP	PRICE	VALUE
7901	D	54	9120	10.00	100.00
7903	A	54	9012	139.30	3,482.50
7903	A	54	9012	9.54	95.40
7901	D	54	9015	22.08	110.40CR
					3,677.90
					110.40CR
					3,567.50
% FACTORS					110.34
3.00					3.31CR
3.00					
3.75					134.17
3.75					3.75
3.75					4.14CR
					240.81
					<u>\$3,808.31</u>
					0

FIGURE 8-4
FMS Delivery Listing

COUNTRY: Latonia		U.S.DEPT/AGENCY: Navy		FMS DELIVERY LISTING										PERIOD ENDING 79 MAR 31			
SERVICE: Navy		STATEMENT NR: 79-03 PE														DATE PREPARED 79 MAR 13	
														CASE NR: LAT RSN: 4R1			

DOC	SHIP	E	STOCK	UNIT	QUAN	DOCUMENT	S	SUPP	M	ACTG	T	DATE	UNIT	EXTENDED		
ID	DEPOT	N	NUMBER	MEAS	SHIP	NUMBERS	F	ADDR	S	DATE	B	SHIP	PRICE	VALUE		
		A					X		ARC		C	DSC				
FKA	S9G	A	519004721104V810	EA	00010	PLT0482841638		DAZLAT	J	CA	7901	D	54	9120	10.00	100.00
FKA	NNZ	A	5960002805585	EA	00025	PLT04481820064		DAZLAT	G		7903	A	54	9012	139.30	3,482.50
FKA	NNE	A	5961008824988	EA	00010	PLT04481884036		DAZLAT	G		7903	A	54	9012	9.54	95.40
FKB	S9G	A	4190004721104V810	EA	0005CR	PLT04482841538		DAZLAT	G	CA	7901	D	54	9015	22.08	110.40CR
FKA	MATERIEL/SERVICE TRANSACTIONS													3,677.90		
FKB	MATERIEL/SERVICE TRANSACTIONS ADJUSTMENTS													110.40CR		
	NET TOTAL FOR ABOVE TRANSACTIONS													3,567.50		
FKC	ADMINISTRATIVE COSTS													\$3,677.90		
FKD	ADMINISTRATIVE COST ADJUSTMENTS													110.40CR		
FKE	ACCESSORIAL COSTS															
	LID PARCEL POST													3,577.90		
	LIA CONUS													100.00		
FKF	ACCESSORIAL COST ADJUSTMENTS															
	LID PARCEL POST													110.40CR		
	NET TOTAL ACCESSORIAL/ADMINISTRATIVE COSTS													240.81		
	NET TOTAL OF ALL TRANSACTIONS													\$3,808.31		
	TOTAL CC													0		
SUMMARY OF ACCESSORIAL & ADMINISTRATIVE COSTS																
	LID													\$ 103.03		
	LIA													3.75		
	LGA													107.03		

8231

(Continued)

Block 1 of DD Form 645 shows the name of the FMS customer country and the military service within the customer country to which the cases included in the statement apply. The words "Latonia-Navy" in Figure 8-3 indicate that the FMS cases being reported in the statement are for material or services destined for the Latonian Navy.

Block 2 of DD Form 645 shows the date (year-month-day sequence) when payment is due to be received by SAAC. For example, if payment is due by 15 May 1979, the entry in this block would show "79 May 15."

Block 3 of DD Form 645 contains a "Statement Number" consisting of the last two digits of the calendar year, two digits indicating the month of the year to which the statement applies, and two alphas indentifying the customer country's paying office applicable to the cases for which a report is being submitted. For example, a report for the quarter ending in March 1979 (the third month of 1979) would show the statement number "79-03-PE." The "-PE" indicates which office of the customer country will make payment.

Block 4 of DD Form 645 shows the date for the end of the quarter to which the report applies. "Year-month-day" sequence is used. For example, the statement for March 1979 would contain the entry "79 Mar 31" in block 4.

Block 5 of DD Form 645 shows the date on which the report is prepared. For example, if the statement for March 1979 is prepared on 15 April 1979, the entry in block 5 will be "79 Apr 15."

8232

DD FORM 645
COLUMN 6

Column 6, "Case S RSN," shows the three-letter case designator code of the case identifier for the FMS case to which entries on the lines immediately below apply. Lines immediately below the line showing the case designator contain entries for individual Record Serial Numbers (RSNs) in the case. The RSN is a three-position code

8232

(Continued)

which identifies either one or a multiple of line items applicable to the DD 1513 Letter of Acceptance. The sum total of all RSNs for a given case equals the value of the case.

If a case has been closed during the period for which a report is being submitted, an asterisk sign (*) appears and a separate, Final FMS Billing Statement, DD Form 645, is furnished as described in paragraph 8250.

Additionally, this column contains identification of several other costs related to the case:

- . L6A - Administrative fees as reflected in block 23 of the DD Form 1513.
- . L00 - Accessorial costs as reflected in blocks 22 and 25 of the DD Form 1513.
- . P/P - Progress payments as reported to SAAC. These represent incremental payments to contractors for progressive completion of contractual requirements.

8233

DD FORM 645
COLUMN 7

Column 7, "Total Value Ordered," shows the total dollar value authorized for each RSN identified in column 6. This value reflects the amount shown on the DD Form 1513, increased or decreased by amendments which may have been made to the case. No value is shown in this column for progress payments.

8234

DD FORM 645
COLUMN 8

Column 8, "Cumulative Delivery Costs, End Prior Period," indicates the total cumulative dollar value of items applicable to the RSN delivered (items shipped) to the FMS customer as of the end of the prior statement period. No value is shown in this column for progress payments.

8235

DD FORM 645
COLUMN 9

Column 9, "Current Period Delivery Costs" (Attachment 1), shows the total dollar value of items applicable to the RSN delivered to the FMS customer during the statement period. The value shown in this entry is supported in detail by the FMS Delivery Listings which accompany the billing statement. (The FMS Delivery Listing is described in paragraphs 8270 through 8283.) This column can include the value of any billing adjustments reported as of the SAAC cutoff date for the report.

8236

DD FORM 645
COLUMN 10

Column 10, "Cumulative Delivery Costs and Work in Process," shows the total cumulative dollar value charged to the FMS customer's account (deliveries plus expenditures for work in process) made with respect to the RSN. Examples of charges (in addition to those for delivered items) which might be included in this entry are:

- . Research and development or similar non-recurring costs.
- . Expenditures made by the U.S. Government for constructive delivery of material or services. These could include progress payments and that portion of such payments "held back" by the USG pending satisfactory contract completion.
- . Charges for use of U.S. Government-owned capital assets involved in furnishing materials or sources to the FMS customer.
- . An estimate of potential termination liability includes all accrued direct and indirect costs and profits of prime and subcontracts not covered by progress payments or holdback plus penalty contract cancellation charges for which Department of Defense would be liable. Potential termination liability charges do not include increased unit prices to other ongoing programs resulting from reduction in procurement quantity.

8236

(Continued)

The total of column 10 entries includes both actual and planned performance. The total of column 8 plus 9 will equal column 10 at the time of case closure. For material RSNs column 8 plus 9 will equal the corresponding column 10 entry throughout the life of the case. For material RSNs column 10 will equal the cumulative actual deliveries for that material line. The remaining financial requirements will be accumulated and identified in column 10 to progress payment RSN. The progress payments RSN will never reflect an entry in columns 8 and 9.

8237

DD FORM 645
ADMIN./
ACCESSORIAL
LINE ENTRIES

For each case for which a report is being submitted in the FMS Billing Statement there is a separate line with entries in columns 6 through 10 showing the total Administrative Fees which are chargeable to the entire case. Similarly, there is also a separate line with entries in columns 6 through 10 showing the total Accessorial Costs which are chargeable to the case. (Administrative fees and accessorial costs are defined in paragraphs 8131 and 8132.)

8238

DD FORM 645
PROGRESS
PAYMENTS
LINE ENTRY

The DD Form 645 will include an RSN identified as "PP" Progress Payments. Progress Payments refer to payments made to contractors for work performed towards the completion of a task (usually a major equipment). This DD 645 line item also includes any other work in process financial requirements, contract holdback, termination liability and other authorized financial requirements which are not directly identified to a delivery of material or completion of a service. This line item may continue to indicate a dollar amount until the case is closed. The progress payment RSN is continually reconciled to deliveries and completed services such that when the requirements of a case are completed, financial requirements are directly attributable to a delivery or completed service and the line indicates a zero balance.

239

DD FORM 645
CASE TOTAL
ENTRY

For each case reported in the FMS Billing Statement, the last line applicable to the case contains "Case Total" entries in columns 6 through 14. Entries in columns 6 through 10 are the sums of the individual lines above. Entries for columns 11 through 14 are "Total" lines.

240

DD FORM 645
COLUMN 11

United States law, specifically the Arms Export Control Act, requires that funds or cash be on deposit with the U.S. Treasury prior to the Department of Defense incurring expenditures. Note A of the DD Form 645 clearly states this requirement. Column 11 on the DD Form 645 "Forecasted Requirements," identifies the amount of anticipated financial requirements for the FMS case during the succeeding calendar quarter following the payment due date of the billing statement. This value is generally based upon the financial annex payment schedule; however, it may be adjusted depending upon the actual performance of the case. As discussed in paragraph 8223, the value identified in Column 11 for FMSO II and other spare and repair part cases is derived from actual demands against the case. The amount indicated is a composite of all financial requirements including:

- . Material or services expected to be delivered during the forthcoming period. This projection is based on "Required Delivery Dates" or "Forecasted Delivery Dates" applicable to the requisitions for the material or services.
- . Bills for progress payments expected from suppliers during the forthcoming quarter. This projection is based on the payment provisions of the contracts under which items are being supplied and actual supplier performance toward completion of the contracts.
- . Additional financial requirements. These could include such items as administrative and accessorial charges, asset use charges, and research and development costs.

8241

DD FORM 645
COLUMN 12

Column 12, "Total Financial Requirements," is the sum of the entries in column 10 ("Cumulative Delivery Costs & Work in Process") and column 11 ("Forecasted Requirements") for each FMS case reported on the billing statement.

This entry represents the total cumulative amount of financial requirements through the succeeding quarter. The dollar amount indicated is the cumulative amount which the customer is required to have paid to the U.S. Government as of the date specified in block 2 of the DD Form 645.

8242

DD FORM 645
COLUMN 13

Column 13, "Cumulative Payments Received," shows the total cumulative dollar value of payments applicable to the case which have been received by the U.S. Government as of the end of the quarter for which the report is being submitted.

8243

DD FORM 645
COLUMN 14

Column 14, "Amount Due and Payable," shows the total dollar amount, applicable to the FMS case, that is currently due the U.S. Government and remains unpaid by the FMS customer country. This amount is equal to the difference between the amount shown in column 13 ("Cumulative Payments Received") and the amount shown in column 12 ("Total Financial Requirements"). The customer should forward this payment so that it reaches SAAC no later than the due date shown in block 2 of DD Form 645. Payment of this amount completes fulfillment of the current payment requirements applicable to the case.

8244

DD FORM 645
BILL TOTAL
ENTRY

The last line entered on the FMS Billing Statement contains entries in all columns. The entries in each column on this line are the sums of previous entries in each "Case Total" line appearing on all pages of the FMS Billing Statement. This line provides an overall financial summary of the total FMS program administered for the customer country by the U.S. Navy.

8245

DD FORM 645
REVIEW
PROCESS
PORTION

The "Review Process" section in the lower left-hand portion of DD Form 645 contains the signatures of the U.S. personnel at SAAC who have prepared and checked the data contained in the statement. The "Authentication" section contains the signature of the U.S. official certifying to the FMS customer that the information contained in the report is official and that payment is requested. The "Explanatory Notes" section in the lower right-hand portion of DD Form 645 explains the meaning of "Note A" and the "*" symbol. The "Payment Instructions" section identifies the mailing address of SAAC. This is the address to which the payment required (as shown in column 14), should be sent.

8250

THE FINAL
STATEMENT
OF FMS
TRANSACTIONS

When an FMS case is closed, the billing statement covering the quarter in which closure is accomplished shows an asterisk sign (*) preceding the three-letter case designator code in column 6 of the DD Form 645. In addition, a separate DD Form 645, annotated as a "Final Statement of Account" and applicable only to cases closed during the quarter for which the report is submitted, is furnished with the billing statement. Figure 8-5 depicts Final Statement of Account.

Points to be noted concerning the final statement include the following:

- . Entries for a closed case are the same on the quarterly billing statement as entries for that case on the final statement.
- . Column 9 of both the interim and final statements may or may not contain an entry for the quarter in which a final statement is rendered.
- . The sum of the values in columns 8 and 9 equals the value shown in column 10.

FIGURE 8-5
Final FMS Billing Statement
DD Form 645

1

UNITED STATES OF AMERICA			
DEPARTMENT OF DEFENSE/Navy			
4. FOR PERIOD ENDED: 79 MAR 31		5. DATE PREPARED: 79 APR 13	
FINANCIAL STATUS			
FORECASTED REQUIREMENTS (NOTE A)	12. TOTAL FINANCIAL REQUIREMENTS	13. CUMULATIVE PAYMENTS RECEIVED	14. AMOUNT DUE AND PAYABLE
	73,316.00	73,316.00	
EXPLANATORY NOTES			
OF THE U.S. PUBLIC LAW, THE ARMS EXPORT CONTROL ACT, REQUIRE THE ENSE TO COLLECT PAYMENTS FROM FOREIGN PURCHASERS IN ADVANCE OF THE TIME OSTS ON THE PURCHASER'S BEHALF. THEREFORE, THIS BILLING STATEMENT OF MONIES THAT ARE ANTICIPATED TO BE EXPENDED BETWEEN THE TIME THIS IS PAID AND THE FOLLOWING BILLING STATEMENT IS PAID.			
SED DURING THE CURRENT PERIOD.			
PAYMENT INSTRUCTIONS			
YOUR CHECK IN U.S. DOLLARS, MADE PAYABLE TO THE TREASURER OF THE UNITED FORWARDED DIRECTLY TO:			
ACCOUNTING CENTER S AND FINANCE CENTER USA			

WS

t
5,

FOREIGN MILITARY SALES BILLING STATEMENT				UNITED STATES OF AMERICA DEPARTMENT OF DEFENSE/Navy				
1. TO: LATONIA NAVY		2 THIS IS A FINAL STATEMENT OF ACCOUNT		3. STATEMENT NUMBER: 79-03 PE		4. FOR PERIOD ENDED: 79 MAR 31		5. DATE PREPARED: 79 APR 13
CASE IDENTIFICATION AND DELIVERY STATUS				FINANCIAL STATUS				
6. CASE & RSN	7. TOTAL VALUE ORDERED	8. CUMULATIVE DELIVERY COSTS END PRIOR PERIOD	9. CURRENT PERIOD DELIVERY COSTS (ATTACHMENT 1)	10. CUMULATIVE DELIVERY COSTS & WORK IN PROCESS	11. FORECASTED REQUIREMENTS (NOTE A)	12. TOTAL FINANCIAL REQUIREMENTS	13. CUMULATIVE PAYMENTS RECEIVED	14. AMOUNT DUE AND PAYABLE
*LAT 4R1	54,442.00	54,442.00		54,442.00				
4R2	AN/BOQ 21 14,400.00 SPARE PARTS	13,398.00	1,002.00	14,400.00				
L6A	2,065.00	2,032.80	32.20	2,065.00				
L00	ADMINISTRATIVE FEE 2,409.00 ACCESSORIAL COSTS	2,255.81	153.19	2,409.00				
CASE TOTAL	73,316.00	72,128.61	1,187.39	73,316.00		73,316.00	73,316.00	
REVIEW PROCESS				EXPLANATORY NOTES				
SIGNATURE ANALYST: _____ BRANCH CHIEF: _____ QUALITY ASSURANCE: _____				NOTE A: THE TERMS OF THE U.S. PUBLIC LAW, THE ARMS EXPORT CONTROL ACT, REQUIRE THE DEPARTMENT OF DEFENSE TO COLLECT PAYMENTS FROM FOREIGN PURCHASERS IN ADVANCE OF THE TIME THAT DOD INCURS COSTS ON THE PURCHASER'S BEHALF. THEREFORE, THIS BILLING STATEMENT REQUESTS PAYMENT OF MONIES THAT ARE ANTICIPATED TO BE EXPENDED BETWEEN THE TIME THIS BILLING STATEMENT IS PAID AND THE FOLLOWING BILLING STATEMENT IS PAID. * DENOTES CASES CLOSED DURING THE CURRENT PERIOD.				
AUTHENTICATION				PAYMENT INSTRUCTIONS				
SIGNATURE C.K. Unger, CPA DIRECTOR, SAAC				IF A PAYMENT IS DUE, YOUR CHECK IN U.S. DOLLARS, MADE PAYABLE TO THE TREASURER OF THE UNITED STATES, SHOULD BE FORWARDED DIRECTLY TO: SECURITY ASSISTANCE ACCOUNTING CENTER AIR FORCE ACCOUNTING AND FINANCE CENTER DENVER, CO, 80279 USA				

DD FORM 645 (JUN 78) PREVIOUS EDITIONS ARE OBSOLETE

8250

(Continued)

- . There is no value shown in column 11 of the final statement.
- . Entries in columns 7, 10, 12 and 13 of the final statement are equal.

Closed cases which have been annotated with an asterisk sign (*) on an FMS Billing Statement, DD Form 645, and for which a final statement has been provided, are not reported on future FMS Billing Statements.

8260

COLLECTION
PROCEDURES

The description of the billing statement contained in paragraphs 8230 through 8245 shows how the FMS Billing Statement tells the FMS customer the following information:

- . How much is owed to the U.S. Government in order to fulfill current financial obligations under each case and for the entire FMS program administered by the U.S. Navy (column 14 of DD Form 645 described in paragraph 8151)
- . The date by which payment should be received at SAAC in fulfillment of these obligations (block 2 of DD Form 645 described in paragraph 8231)
- . The mailing address to which the payment should be sent (the "Payment Instructions" section of DD Form 645, described in paragraph 8227).

Paragraph B1 of the "Conditions" on the reverse of the letter of Offer and Acceptance, DD Form 1513, (to which the FMS customer and the U.S. Government agree when a case is established), specifies that payment will be made in U.S. dollars, payable to the "Treasurer of the United States." Normally, payment is made by means of a dollar check forwarded to SAAC by mail.

8260

(Continued)

It is important that the payment document identify the FMS case to which the payment is to be applied. If the FMS customer wishes to send a single check in payment for more than one case, instructions must accompany the payment. These must indicate clearly to which cases the customer wishes the payment to apply, and how much of the total amount forwarded is to apply to each case.

As soon as the payment is received at SAAC, it is recorded and the FMS customer's account for the applicable case(s) is credited. The payment is then deposited with the U.S. Treasury and the collection process is complete. The payment becomes a part of the "Cumulative Payments Received" entry for the case reported in column 13 of the next FMS Billing Statement, DD Form 645.

8270

FMS DELIVERY
LISTING,
GENERAL

Attachment 1 to the FMS Billing Statement is the FMS Delivery Listing. This is a separate machine listing for each FMS case which reflects an entry in column 9 of the FMS Billing Statement, DD Form 645. The FMS Delivery Listing provides the detailed information for each delivery transaction that forms a part of the total value of deliveries shown for the case in column 9 ("Current Period Delivery Costs - Attachment 1") of the DD Form 645. Figure 8-4 is a sample of an FMS Delivery Listing.

8271

FMS DELIVERY
LISTING
HEADING

The uppermost line of the FMS Delivery Listing heading shows:

- . The U.S. Department/Agency managing the case (i.e., U.S. Navy)
- . The title of the listing
- . The ending date of the reported period.

The second line shows:

- . The customer country
- . The applicable FMS Billing Statement number

8271

- . The date on which the listing was prepared.

(Continued)

The third line shows:

- . The customer country's military service/organization responsible for the case.
- . The three-character case designator.
- . The specific Record Serial Number (RSN) to which the listing applies.
- . The date on which the FMS Delivery Listing was prepared. (This will be the same date shown in block 5, the "Date Prepared" section of DD Form 645.)

8272

FMS DELIVERY
LISTING,
"DOC I/D"

Entries in the "DOC I/D" column of the FMS Delivery Listing identify the document, or type of transaction, reported on that line. Document identifier codes and their meanings are shown below.

- . FKA: Material shipments and charges
- . FKB: Adjustments to material charges which were itemized on an earlier FMS Delivery Listing
- . FKC: Administrative charges
- . FKD: Adjustments to administrative charges which were included on an earlier FMS Delivery Listing
- . FKE: Accessorial charges
- . FKF: Adjustments to accessorial charges which were included on an earlier FMS Delivery Listing.

8273

FMS DELIVERY
LISTING,
"SHP DPT"

The abbreviation "SHP DPT" stands for "Shipping Depot." The entry in this column shows the U.S. Military Standard Requisitioning and Issue Procedure (MILSTRIP) Routing Identifier of the activity which shipped the item. A complete listing of these routing identifiers (R/Is) is contained in Appendix 10 of the MILSTRIP/MILSTRAP Operating Procedures Manual, Naval Supply Systems Command (NAVSUP) Publication 437.

In the event that shipment was made by a commercial contractor, the entry in this column is the MILSTRIP R/I of the activity which awarded the contract to the supplier.

8274

FMS DELIVERY
LISTING,
"ENA"

"ENA" is the abbreviation for "Estimated, Incremental, or Actual." The letter "E," "N," or "A" appears in the entry for this column and indicates the nature of the charge shown in the "Extended Value" column. "E" indicates that the charge is estimated. "N" indicates that the charge is incremental. "A" indicates that the charge reflects actual costs to the customer.

8275

FMS DELIVERY
LISTING,
STOCK
NUMBER

Entry in this column will identify the material or service to a National Stock Number, training course number, publication number, phrase "service," etc.

8276

FMS DELIVERY
LISTING,
"U/M" AND
"QUANTITY
OR AMOUNT"

"U/M" is an abbreviation which stands for "unit of measure." Entries in these two columns indicate the unit of measure, or unit of issue, of the material and the quantity of amount (i.e., the number of units of measure) involved in the transaction being reported on that line of the FMS Delivery Listing.

8277

FMS DELIVERY
LISTING,
"DOCUMENT
NUMBER"

Entries in the "Document Number" column identify the requisition to which the shipment applies. Paragraphs 2260 through 2264 of Chapter 2 describe the composition of a document number. The symbol "XX" refers to expenditures made for work or services performed in lieu of material deliveries.

- 8278 "SUP ADDR" is an abbreviation for "supplementary address." Entries in this column contain the same supplementary address as shown on the original requisition. Composition of the supplementary address is described in detail in paragraphs 2267 through 2269 of Chapter 2.
- FMS DELIVERY LISTING,
"SUP ADDR"
- 8279 "M/S" is the abbreviation of "mode of shipment." Entries in this column contain the MILSTRIP code indicating the method by which material was shipped. A listing of these codes and their meanings is provided in Figure 2-23 in Chapter 2.
- FMS DELIVERY LISTING,
"M/S"
- 8280 "ARC" is the abbreviation for "adjustment reply code." An entry appears in this column only if the line item on the listing is a result of a request initiated by the FMS customer. Figure 7-4, in Chapter 7, provides a listing of Adjustment Reply Codes and their meanings.
- FMS DELIVERY LISTING,
"ARC"
- 8281 Entries in "STMT NR" (Statement Number) column contain the first four digits of the number shown in block 3, "Statement Number," in the heading of the FMS Billing Statement, DD Form 645. This entry is described in paragraph 8231.
- FMS DELIVERY LISTING,
"STMT NR"
- 8282 Entries in the "DATE SHIP" column show the date on which material was shipped. Entries in this column are in "Julian Date" format as explained in paragraph 2263.
- FMS DELIVERY LISTING,
"DATE SHIP"
- 8283 Entries in the "UNIT PRICE" column show the price charged the FMS customer for each Unit of Issue (or unit of measure) of material furnished. This price is in U.S. dollars and cents.
- FMS DELIVERY LISTING,
"UNIT PRICE"
- 8284 Entries in the "EXTENDED VALUE" column show the total money value of the transaction represented by the line item.
- FMS DELIVERY LISTING,
"EXTENDED VALUE"

8300 SECTION C--AREAS OF SPECIAL INTEREST

8310 FMS cases are "closed" after the following criteria are met:

CASE
CLOSURE

- . All new procurement action is ceased.
- . All deliveries are complete.
- . All charges have been billed to the FMS customer.
- . Payment has been received from the customer for the total amount of charges billed.
- . SAAC assures that the total case value equals or exceeds final delivery value.
- . All work and services have been completed.

When a case is closed, it is annotated with an asterisk sign (*) in column 6 ("Case & RSN") of the next Foreign Military Sales Billing Statement as described in paragraph 8232. Any excess funds (credits) which may exist at the time of case closure are transferred to the customer. A separate, final FMS Billing Statement, DD Form 645, is then provided as depicted in Figure 8-5.

8311 In some instances, it is necessary to reopen previously closed cases. This usually happens because unforeseen financial charges or credits (sometimes caused by resolution of ROIDs submitted by the customer) must be accommodated. In some instances, such financial charges or credits may be accommodated through special financial arrangements with the customer country. When it is determined that use of such arrangements would be undesirable or inappropriate, the reopening of a previously closed case can be effected by NAVILCO, which processes the finished adjustment to SAAC.

REOPENING OF
CLOSED CASES

8320

PRICE
INCREASE
CONTROLS,
GENERAL

The values stated in the Letter of Offer and Acceptance, DD Form 1513, which is agreed to by the FMS customer country and the U.S. Government, are estimated costs, not fixed delivery prices. However, there number of ways in which the FMS customer is protected from unreasonable price increases. These include:

- . All purchase contracts made by the U.S. Government with commercial suppliers require that the supplier charge no more than the lowest price for which the item is sold to any other customer under equivalent circumstances.
- . Items issued from U.S. stocks on hand are charged to the FMS customer at no more than their total replacement cost to the U.S. Government, plus appropriate accessorial charges.

When the aggregate price of items being supplied reaches a value equal to case value, new supply action will be suspended until funding authorization is increased. Suspension of new supply action may occur at a value less than 100 percent of case value depending upon the type of case. The customer will be notified of this condition on "Pull" cases.

8330

SUMMARY

This chapter has described:

- . The elements of FMS pricing
- . The different types of financing arrangements for FMS cases
- . The billing and collection procedures in FMS
- . The NAVCOMPT, NAVILCO and SAAC roles
- . The contents and purposes of the FMS Billing Statement and Associated Delivery Listing

. Special areas of interest such as:

(Continued)

- Case closure
- Price increase controls.

All of these subjects affect financial operations under the FMS program. Many also influence other aspects of the program discussed in detail in other chapters. Where this condition applies, reference to the pertinent portions of other chapters is provided. With the above-noted information, the reader should now have a broad understanding of financial operations, and the ability to better understand and use financial reports provided by SAAC.

CHAPTER 9. REPORTS

CHAPTER 9. REPORTS

T A B L E O F C O N T E N T S

	<u>Page Number</u>
9100 SECTION A--OVERVIEW	9-1
9110 Categories of FMS Reports: Supply, Financial, and Discrepancy Action	9-1
9111 Supply Reports; Supply Status Card	9-1
9112 Supply Reports; FMS Quarterly Requisition Report	9-2
9120 Financial Reports; The Foreign Military Sales Billing Statement, DD Form 645	9-2
9121 The Quarterly FMS Billing Statement, DD Form 645	9-3
9122 FMS Delivery Listing	9-3
9130 Discrepancy Action Reports; Reply to Customer Requests for Adjustment	9-3
9140 Distribution of Reports	9-4
9150 The Principle of Confidentiality	9-4
9160 Summary	9-5
9200 SECTION B--DETAILED DESCRIPTION	9-7
9210 The FMS Quarterly Requisition Report	9-7
9211 Heading and First Line Entry	9-8
9212 Country	9-11
9213 Customer Service Designator	9-11
9214 Case	9-11
9215 "As Of" and "Preparing Activity"	9-11
9216 Document Number	9-11
9217 NATL Stock NR (NSN)	9-11
9218 Item Name	9-12
9219 UI	9-13
9220 QUANT	9-13
9221 DC	9-13
9222 PRJ CDE	9-13
9223 PR	9-13
9224 ESD	9-13
9225 ST CD	9-14
9226 DATE STAT	9-14
9227 RIC	9-14
9228 MD	9-15
9229 SHIP-SER NR or CONT/WRK Order	9-15

		<u>Page Number</u>
9230	UNIT PR	9-16
9231	EXTENDED PR	9-16
9232	Totals Case	9-16
9233	"Summary Totals CSD" and "Summary Totals Country"	9-16
9300	SECTION C--AREAS OF SPECIAL INTEREST	9-19
9310	Use of Reports Described in This Chapter; Supply Status Cards	9-19
9311	Use of Reports; the FMS Quarterly Requisition Report	9-19
9312	Use of Reports; Monthly Reply to Customer Requests for Adjustment.	9-20
9313	Use of Reports; the FMS Billing Statement	9-20
9320	Importance of Prompt Review	9-20
9330	Customer Requirements for Reports	9-21
9340	Summary of Chapter 9	9-22
	REFERENCE FOR CHAPTER 9	9-24

I N D E X O F F I G U R E S

Page
Number

9-1 FMS Quarterly Requisition Report

9-9

CHAPTER 9. REPORTS

9100

SECTION A--OVERVIEW

9110

CATEGORIES OF
FMS REPORTS:
SUPPLY, FINAN-
CIAL, AND DIS-
CREPANCY ACTION

The recurring reports provided by the U.S. Navy International Logistics Control Office (NAVILCO) and by the Security Assistance Accounting Center (SAAC) to FMS customers have been described in other chapters of this guide. FMS customer reports fall into three broad categories:

- . Supply Management Reports
- . Financial Management Reports
- . Discrepancy Action Reports.

This chapter provides a convenient summary of the reports available to FMS customers, their intended distribution, a detailed description of each, and how FMS customers can make the best use of these reports.

9111

SUPPLY REPORTS;
SUPPLY STATUS
CARD

Within the Supply Management category, two types of reports are furnished. These are:

- . Supply Status Card. This report furnishes Military Standard Requisitioning and Issue Procedure (MILSTRIP) status information to the customer on DD Form 1348M, with Document Identifier AE2, as described in paragraphs 2280 to 2287 in Chapter 2. Each status report applies to a single MILSTRIP requisition. Status report cards are not made on a fixed schedule. Rather, they are provided to the customer as changes occur in requisition status or when a status request has been initiated by the customer. They are also produced when the customer initiates a request for requisition information or changes data in a requisition.

9112

SUPPLY REPORTS
FMS QUARTERLY
REQUISITION REPORT

The Foreign Military Sales Quarterly Requisition Reports. This report is described in paragraph 2181 in Chapter 2. The report is prepared by NAVILCO every 3 months, approximately 30 days after the end of each calendar quarter. It provides for each FMS case a listing of all requisitions, by case and document number, received by NAVILCO but for which shipment to the customer has not been made. Requisitions for which shipment has been made or cancellation action has been taken since the last previous FMS Quarterly Requisition Report (i.e., those shipped during the preceding 3 months) are also shown. Shipments made and reported on a previous quarterly requisition report are not listed in the following quarterly report.

Requisitions will be reported on each cycle of the report until the material is shipped or the requisition is canceled. Then the requisition will appear one time on the report, for the quarter in which the item was shipped or canceled.

9120

FINANCIAL
REPORTS; THE
FOREIGN MILITARY
SALES BILLING
STATEMENT,
DD FORM 645

In the Financial Management category there is one basic report furnished to FMS customers. This report is the Foreign Military Sales Billing Statement, DD Form 645. It is issued as a billing statement. The DD Form 645 report is described in paragraphs 8230 through 8245 and in Figure 8-4 in Chapter 8.

9121

THE QUARTERLY
FMS BILLING
STATEMENT,
DD FORM 645

The FMS Billing Statement, DD Form 645, is generally issued every 3 months. The FMS Billing Statement is a request for payment. In addition, the billing statement provides:

- . A forecast of expenditures during the next 3-month period
- . A statement of payments received from the FMS customer
- . A statement of the payment due (if any) from the FMS customer.

The last line entered on the DD Form 645 is total sum of each of the columns of information provided above it in the report. This line entry represents the total value for all the open FMS cases, by Customer Service Designator (CSD).

The FMS customer should treat the FMS Billing Statement, DD Form 645, as a request for payment and should remit payment to SAAC in the amount shown as being due.

9122

FMS DELIVERY
LISTING

An attachment to the DD Form 645 is the FMS Delivery Listing. It provides detailed delivery information for each RSN entry on the DD Form 645 which it supports. Figure 8-5 illustrates the FMS Delivery Listing.

9130

DISCREPANCY
ACTION REPORTS;
REPLY TO CUSTOMER
REQUESTS FOR
ADJUSTMENT

The single report in the "Discrepancy Action Report" category is the monthly Reply to Customer Requests for Adjustments. This report is described in paragraphs 7252 through 7267 in Chapter 7. It summarizes all processed Reports of Item Discrepancy (ROIDs), SF 364, for material or billing adjustments received from the FMS customer for which SAAC has recorded action processed during the reporting month. The monthly Reply to Customer Requests for Adjustment listing accompanies the FMS Quarterly Billing Statement. It also includes a copy of each processed ROID,

9130

(Continued)

SF 364, included in the listing. In addition, if the customer country uses mechanized procedures, Adjustment Request Reply Cards (Document Identifier "FKG") also will accompany the listing.

9140

DISTRIBUTION
OF REPORTS

At the beginning of a country's FMS program, the customer country designates to whom each of the reports described above should be sent. Frequently, the different reports will go to different addressees. For example, the FMS customer may wish to have:

- . Status information go to the attache in Washington, D.C.
- . Quarterly Requisition Reports go to the country's Navy supply headquarters
- . FMS Billing Statements go to the attache.

The listing above is illustrative only. It is not intended to imply a recommended recipient for the reports. Each customer should decide which part of his organizational structure can most effectively act on the information in each of the reports. These are the offices which should be designated to receive the reports. If experience shows that a change in the distribution of a report should be made, it can be done by a letter request for change to NAVILCO or to SAAC, whichever office prepares the report involved.

9150

THE PRINCIPLE OF
CONFIDENTIALITY

Reports furnished to FMS customers are "UNCLASSIFIED," as defined in paragraph 6114, Chapter 6. Nevertheless, the U.S. Navy and SAAC follow the principle of confidentiality and do not disclose details concerning a customer country's FMS program to other countries. This principle is followed with respect to the reports described in this chapter, as well as all other FMS program data.

9160

SUMMARY

Section A has briefly described the reports which are provided to FMS customers by SAAC and the U.S. Navy (from NAVILCO). Section B of this chapter describes the FMS Quarterly Requisition Report in greater detail.

SECTION B--DETAILED DESCRIPTION

This section gives a detailed description and an illustration for one of the reports covered in Section A, the FMS Quarterly Requisition Report.

The other reports discussed in Section A are described in detail elsewhere in the guide. These reports include the following:

- . Supply Status Card Report: Chapter 2, paragraph 2150, and paragraphs 2280 through 2287
- . Foreign Military Sales Billing Statement: Chapter 8, paragraphs 8230 through 8245
- . Reply to Customer Requests for Adjustment: Chapter 7, paragraph 7251 through 7267.

THE FMS QUARTERLY REQUISITION REPORT

The FMS Quarterly Requisition Report is prepared by NAVILCO and distributed during the last half of the month following the end of each calendar quarter. Reports are distributed in April, July, October, and January for the 3-month periods ending 31 March, 30 June, 30 September, and 31 December, respectively. The Quarterly Requisition Report is a listing which groups entries (lines) together for each separate FMS case. Entries for a single FMS case may require more than one page of the report. However, each page contains entries for only one FMS case. There is an entry (line) in the report for the following types of requisitions:

- . Requisitions which have been received by NAVILCO, but for which no information indicating shipment of material has been received. These "open," or "outstanding," requisitions

9210

(Continued)

continue to be listed on successive reports until shipment information is indicated (or the requisition is canceled).

- . Requisitions which have been canceled since the last previous report.
- . Requisitions for which shipment information has been recorded since the last previous report. The date of shipment and transportation information is included for requisitions in this category.

Requisitions which have been canceled, or for which shipment information has been recorded, normally do not appear on reports after the one in which the cancellation or shipment is reported. An exception to this is when shipment of a partial quantity occurs. In these instances, each shipment made is reported. The requisition continues to be shown on the FMS Quarterly Requisition Report until the last shipment is made and the total quantity ordered has been reported.

Figure 9-1 shows an example of the format for the FMS Quarterly Requisition Report. Paragraphs 9211 through 9232 explain report entries in detail.

9211

The heading shows the title of the report.

HEADING AND
FIRST LINE
ENTRY

The first line entry on each page identifies the FMS customer country, the military service within the customer country to which the case applies, the three-letter case designator, the date the report was prepared, and the activity (NAVILCO) which prepared the report.

FIGURE 9-1
FMS Quarterly Requisition Report

REPORT

PARING ACTIVITY: NAVILCO

DATE STAT	RIC	M D	SHIP SER-NR OR CONT WRK ORDER	UNIT PR	EXTENDED PR
115	N24		WR-5-0346	1,000.00	1,000.00
166	P79	G	32470002	7.10	142.00
255	N35		N1047508002	72.00	4,680.00

SHIPPED REQUISITIONS**

COUNT	DOLLAR VALUE
1	142.00

SHIPPED REQUISITIONS**

COUNT	DOLLAR VALUE
1	142.00

SHIPPED REQUISITIONS**

COUNT	DOLLAR VALUE
1	142.00

9212
COUNTRY

The "Country" entry in the first line shows the name of the FMS customer country. In the illustration, Figure 9-1, the customer country is the Republic of Latonia, which is shown as "Latonia" on the FMS Quarterly Requisition Report.

9213
CUSTOMER SERVICE
DESIGNATOR

This "Customer Service Designator" entry in the first line identifies the military service of the FMS customer country to which the report applies. In the illustration, the report applies to the Latonian Navy.

9214
CASE

The "Case" entry identifies the FMS case which is the authority for the requisition. The three-character case designator portion of the case identifier is used for this purpose. In the illustration the letters "BFG" identify a Republic of Latonia FMS case whose full case designator would be:

LT-P-BFG.

9215

The other two entries on the first line show:

"AS OF" AND
"PREPARING
ACTIVITY"

- . The date on which the report was prepared following the words "as of"
- . The name of the U.S. Navy activity, NAVILCO, which prepared the report.

9216
DOCUMENT
NUMBER

The "Document Number" column identifies the requisition on which material or services were ordered. A full description of the composition of a document number is given in paragraphs 2260 through 2264 of Chapter 2.

9217
NATL STOCK
NR (NSN)

The "NATL Stock NR" column contains the National Stock Number (NSN—15 digits) or the Federal Stock Number (FSN—11 digits) of the item requisitioned. The first 13 digits of an NSN identify the particular item. The 14th

9217

(Continued)

and 15th positions indicate a special material identification code (SMIC) which is perpetuated throughout the requisition process.

In October 1974, the U.S. stock numbering system was converted from the 11-digit FSN to the 13-digit NSN. However, since subsidiary records are being converted gradually, 11-digit FSNs may continue to appear in the FMS Quarterly Requisition Report until conversion is complete.

The stock number shown in the report may differ from that shown in the original requisition for one of three reasons:

- . Conversion from FSN to NSN format
- . Change in the stock number assigned to the item ordered
- . Furnishing of an acceptable substitute (with a different stock number) for the item originally ordered.

If the item requisitioned is non-standard material, the manufacturer's part number, or other identifying number, is shown in the "Stock Number" column. If services, rather than material, have been requisitioned, a brief 1- or 2-word description can appear in the "Stock Number" column.

9218

ITEM NAME

The "Item Name" column does not always contain an entry. If an entry does appear in this column, it is the name, or "nomenclature," of the item being reported. In many instances, this name is abbreviated because of the limited space available on the report page.

- 9219 The "UI" column shows the Unit of
UI Issue applicable to the item requisitioned. If the requisition is for services, the letters "SR" appear in the "UI" column as shown in the illustration (first line).
- 9220 The "QUANT" column shows the quantity of the item which has been requisitioned. If the requisition is for services, zeros are shown in the "QUANT" column.
- 9221 Entries in the "DC" column contain the letter "F", followed by the two-character Navy material cognizance symbol for the item being reported. Paragraph 1150, Chapter 1, explains Navy material cognizance symbols in detail.
- 9222 Entries in the "PRJ CDE" column show the Project Code if one has been assigned to the order by NAVILCO.
- 9223 Entries in the "PR" column show the Uniform Material Movement and Issue Priority System (UMMIPS) issue priority designator which is assigned to the requisition. UMMIPS issue priority designators are explained in detail in paragraphs 2121 through 2126 of Chapter 2.
- 9224 The "ESD" column shows the Estimated Shipping Date. This forecast is based on UMMIPS standards or on procurement lead time information, if available. The date is shown in four-digit, "Julian Date" format. In the Julian format, the left-hand digit is the last digit in the number of the calendar year (i.e., 8 signifies 1978, 9 signifies 1979). The other three digits show the day of the year. Thus, the illustration shows forecast delivery dates of 8365, 9239, and 9020. These stand, respectively, for:
- . The 365th day of 1978, or 31
 December 1978

9224 . The 239th day of 1979, or 27
August 1979

(Continued)

. The 20th day of 1979, or 20
January 1979.

9225 The "ST CD" column provides the
MILSTRIP Status Code which indicates
ST CD the latest supply action taken with re-
spect to the requisition. Figure 2-22
provides a listing of the most fre-
quently used Status Codes and their
meaning. Status Code "BV" used in the
illustration indicates that material
is being procured for direct shipment
from the source of supply. If NAVILCO
has no status information, the "SC"
column will be left blank.

9226 The "DATE STAT" column contains a
four-digit, "Julian Date" entry. If
DATE STAT the item has been shipped, the Julian
Date shown in this entry is the date of
shipment.

If the item has not yet been
shipped, the Julian Date shown in this
entry is the date of the latest status
as shown in the "ST CD" column.

If the "ST CD" column is blank,
the Julian Date shown in the "DATE STAT"
column is the date the requisition was
recorded at NAVILCO.

9227 The "RIC" column contains the
MILSTRIP Routing Identifier for the
RIC U.S. supply system activity which is
processing the requisition for supply
action. A complete list of these rout-
ing identifiers is provided in Appendix
10 of the MILSTRIP/MILSTRAP Operation
Procedures Manual, Naval Supply Systems
Command (NAVSUP) Publication 437. The
routing identifier "N24" shown in the
illustration indicates the Naval Sea
Systems Command. "P79" indicates the
Naval Oceanographic Office. "N35" is
the routing identifier for the Ships

9227
(Continued)

Parts Control Center, the activity which initiated the contract shown in the "SHIP-SER NR OR CONT/WRK ORDER" column.

9228

MD

If the item has been shipped, the mode of shipment used is indicated by a one-character mode of shipment code entry in the "MD" column.

9229

SHIP-SER NR OR
CONT/WRK ORDER

Entries in this column indicate the identifying number of the shipping document if the item has been shipped. The following are examples of shipping documents which might be applicable:

- . Commercial Bill of Lading (CBL)
- . Transportation Control/Movement Document (TCMD—sometimes abbreviated "TCN" for "Transportation Control Number")
- . Waybill
- . Manifest.

If shipment was made by parcel post, the letters "PP" appear in the "SHIP-SER" column. If it is an insured shipment, the entry in the "SHIP-SER" column contains the letter "I", followed by the serial number applicable to the insured shipment. If shipment was made by certified mail, the "SHIP-SER" entry contains the letter "C", followed by the serial number applicable to the certified mail shipment. If the shipment was made by registered mail, the "SHIP-SER" entry contains the letter "R" followed by the applicable serial number. If material has not been shipped, an entry appears in this column only if a contract, work request, or purchase order has been issued to perform the services or provide the material specified in the requisition. In such instances, the entry in the "SHIP-SER NR OR CONT/WRK ORDER" column is the identifying number of the applicable contract, work request, or purchase order.

9230 The entry in the "UNIT PR" column
UNIT PR shows the Unit Price of each Unit of
 Issue of the item being supplied.

9231 The abbreviation "EXTENDED PR"
EXTENDED PR stands for Extended Price. The entry
 in this column shows the total dollar
 value (i.e., unit price multiplied by
 quantity requested) of material being
 supplied under the requisition.

NOTE: The value shown in the "EXTENDED
PR" column may differ from the
value at which the requisition
is ultimately billed to the FMS
customer. If a difference oc-
curs, it can be caused by such
factors as unit price changes,
or the need to issue a minimum
quantity or pack shipment.

9232 On the last page of the FMS Quar-
TOTALS CASE terly Requisition Report applicable to
 each case, there are three special sets
 of entries for "Open Requisitions,"
 "Canceled Requisitions," and "Shipped
 Requisitions." The total number of
 requisitions and the total dollar value
 of requisitions in each category are
 shown under these captions.

9233 As indicated in paragraph 9210,
"SUMMARY TOTALS entries in the FMS Quarterly Requisition
CSD" AND "SUMMARY Report are grouped by FMS case. Simi-
TOTALS COUNTRY" larly, all pages of the FMS Quarterly
 Requisition Report applicable to cases
 for one military service in the customer
 country are grouped together. On the
 last page of the report, summary totals
 are shown for all "Open Requisitions,"
 "Canceled Requisitions," and "Shipped
 Requisitions" for all FMS cases adminis-
 tered by NAVILCO for the particular
 military service in the FMS customer
 country.

Summary totals are also listed at
the end of the report, showing the
total number and dollar value of Open

9233

(Continued)

Requisitions, Canceled Requisitions,
and Shipped Requisitions applicable
to all the FMS cases administered by
NAVILCO for all the military services
of the customer country.

9300 SECTION C--AREAS OF SPECIAL INTEREST

9310 The reports described in this chapter provide information useful to the FMS customer. The Supply Status Card provides specific data for individual requisitions. If the FMS customer keeps all the status cards, they will provide a historical record of the progress of the requisition from its initiation until material is delivered.

USE OF REPORTS
DESCRIBED IN
THIS CHAPTER;
SUPPLY STATUS
CARDS

9311 The FMS Quarterly Requisition Report provides a single source of current information on all requisitions which have been received by NAVILCO, but for which shipment has not taken place, or for which shipment or cancellation action has taken place during the preceding 3 months. However, unlike status cards which (if they are retained) can provide a total historical record for a single requisition, the FMS Quarterly Report shows only the latest status information which has been recorded for all the requisitions applicable to the case. Also, requisitions are deleted from the FMS Quarterly Requisition Report after material has been shipped. Therefore, the report does not provide information as to whether charges have been recorded against the customer's account, or whether payment has been received.

USE OF REPORTS;
THE FMS QUARTERLY
REQUISITION REPORT

Examples of how the FMS Quarterly Requisition Report may be used are provided below:

- . Assume that a requisition has been submitted to NAVILCO and no acknowledgement status card is received. If the requisition appears on the next FMS Quarterly Requisition Report, this confirms that NAVILCO has received and recorded the requisition. There is no need for the customer to follow up with NAVILCO to confirm receipt of the requisition.

9311

(Continued)

- . Shipping information provided in the report can help the FMS customer plan for receipt of material. It can be used to trace missing shipments or monitor freight forwarder performance.
- . All status information for requisitions under a given FMS case is displayed in the same place in the report. This makes it easier to review the progress of groups of requisitions which may affect support of systems or equipment.

9312

USE OF REPORTS;
MONTHLY REPLY
TO CUSTOMER
REQUESTS FOR
ADJUSTMENT

The monthly Reply to Customer Requests for Adjustment provides a single source of all available information on action taken with respect to a ROID request.

The report identifies the ROID, the document number of the transaction to which the ROID applies, the action taken by the U.S. Navy to resolve the ROID, and other pertinent information. A separate listing is provided for each FMS case under which action on a ROID has been completed. In addition, a copy of each processed ROID included in the listing accompanies the report.

9313

USE OF REPORTS;
THE FMS BILLING
STATEMENT

The FMS Billing Statement provides the FMS customer with a full picture of the financial status of each FMS case established with the U.S. Navy. It also provides summary information concerning the overall financial status of the customer's total FMS program with the U.S. Navy.

9320

IMPORTANCE OF
PROMPT REVIEW

The importance of choosing the proper FMS customer representative to receive each report was emphasized in paragraph 9140. It is equally important that reports be reviewed promptly

9320

(Continued)

after their receipt by the FMS customer representative. These reports provide the FMS customer with status information on all his open FMS requisitions. They provide a clear picture of the supply system actions and allow a reconciliation of the customer's records with NAVILCO's. Using this technique, errors and discrepancies can be quickly identified and corrected before they become significant problems.

Information contained in each of the reports discussed in this chapter is constantly changing. This does not mean that there will be a change in every item reported on in each of the reports. It does mean that there will be some change in status of some of the items reported on. Thus, to some degree, the data provided in the report are already out of date (i.e., the data may not reflect the current status of some items) by the time the report is received. Delay in review of the report, and in taking whatever action is dictated by that review, only increases the possibility that the action may be too late, or inappropriate, because of recent changes in item status not yet reported.

9330

CUSTOMER REQUIREMENTS FOR REPORTS

FMS customers are provided with a single copy of each of the reports described in this chapter. Distribution is effected as directed by the FMS customer. If additional copies of a report are required, either on a one-time or a continuing basis, a letter request should be forwarded to NAVILCO or SAAC, where appropriate.

The request should specify what report is desired, how many copies are needed, and the addressee(s) to whom the additional report(s) should be sent. However, FMS customers should be aware that NAVILCO workload may delay, or in some

9330

(Continued)

cases preclude, compliance with the request. In addition, FMS customers are normally charged for any additional costs incurred by NAVILCO in providing the extra copies of the report.

Similarly, if FMS customers require specialized types of reports which are not normally provided under the FMS program, a letter request should be forwarded to NAVSUP. This request should specify the following particulars:

- . Precisely what information is desired in the report
- . Whether the report is to be a one-time or continuing requirement
- . Frequency of the report and desired period of coverage
- . Number of copies needed
- . Mailing addresses of officials who are to receive the report.

NAVILCO will determine whether the request can be accommodated and the costs involved, and will obtain permission from higher authority to provide the report. This information, including the case to be charged, will be referred to the FMS customer for a decision and, if the decision is affirmative, amendment of the FMS case may be necessary.

9340

SUMMARY OF
CHAPTER 9

This chapter has described and illustrated the supply, financial, and discrepancy action reports provided to FMS customers by NAVILCO and SAAC. (Other similar reports are described in detail in Chapters 2, 7, and 8). Suggestions concerning the use of the reports were provided, and the procedures to be followed by FMS customers desiring additional supply reports or

9340

(Continued)

specialized supply reports were outlined. The importance of all these reports to the FMS customer in ensuring orderly implementation of the FMS programs is emphasized. Familiarity with the contents of each report, and prompt review of each by the appropriate FMS customer representative will assist the FMS customer to monitor the customer country's entire FMS program.

REFERENCE FOR CHAPTER 9

MILSTRIP/MILSTRAP Operating Procedures Manual

Naval Supply Systems Command Publication 437
(NSN 0530 LP 170 0083)

CHAPTER 10. FREIGHT FORWARDER GUIDANCE

CHAPTER 10. FREIGHT FORWARDER GUIDANCE

T A B L E O F C O N T E N T S

	<u>Page Number</u>
10100 SECTION A--DESCRIPTION	10-1
10110 Introduction	10-1
10120 Methodology	10-2
10130 FMS Material Movement Overview	10-2
10131 NAVILCO Input of Requisitions	10-2
10132 Inventory Manager Action	10-5
10133 Source of Supply Action	10-5
10134 Transfer of Depot/Contractor Title to FMS Customer	10-6
10135 Discrepancies	10-7
10200 SECTION B--PROCEDURES	10-9
10210 Freight Forwarder Receipt of Material	10-9
10211 Notice of Availability	10-9
10212 DD Form 1348-1 Accompanying the DD Form 1348-5	10-13
10213 Freight Forwarder Replies to NOA	10-13
10214 NOA Without Export Release Requirement	10-13
10215 Delay Notice of Availability	10-14
10216 NOA Export Release Required	10-14
10217 Freight Forwarder Rejection of Shipment	10-15
10218 Shipments from Government Sources	10-15
10219 Shipments from Private Contractors	10-16
10220 Transportation Priorities	10-21
10300 SECTION C--AREAS OF SPECIAL INTEREST	10-27
10310 General	10-27
10320 Repairables Processing	10-27
10330 Publications	10-28
10331 Classified Material	10-30
10332 Security/Pilferage Codes	10-31
10333 Screening for Classified Material	10-33

		<u>Page Number</u>
10340	What to Include in the Freight Forwarder Contract	10-33
10341	Statement of Work	10-33
10350	How to Obtain a Freight Forwarder Security Clearance	10-42
10360	How to Evaluate a Freight Forwarder's Performance	10-45
10370	Summary	10-47
	REFERENCES FOR CHAPTER 10	10-49

I N D E X O F F I G U R E S

		<u>Page Number</u>
10-1	Flow of FMS Material to the Customer	10-3
10-2	Notice of Material Availability, DD Form 1348-5	10-11
10-3	DOD Single Line Item Release/Receipt Document, DD Form 1348-1	10-17
10-4	Material Inspection and Receiving Report, DD Form 250	10-23
10-5	DD Form 1348-1 for Return of Repairable Item to Designated Overhaul Point in U.S.	10-29
10-6	DD Form 1348-1 for Shipment of Classified Material	10-32

CHAPTER 10. FREIGHT FORWARDER GUIDANCE

10100 SECTION A--DESCRIPTION

10110

INTRODUCTION

Freight forwarder companies occupy a key role in the delivery of Foreign Military Sales (FMS) material to overseas customers. These companies normally, as a minimum, receive, consolidate, and stage material within the U.S. and arrange for its onward shipment to the customer country. The freight forwarder is not the carrier (i.e., rail, truck or shipping company). Freight forwarders are private firms who serve as contractual agents of the foreign country. Because the freight forwarder is under contract to a foreign government, the specific functions he performs may differ somewhat from those noted above. The freight forwarders may perform a greater or lesser range of functions depending upon the agreement with their respective customer country.

A major goal of this chapter is to provide information to FMS customer countries about how their material is handled in the U.S. system. Knowledge of these procedures should assist the country both in selecting a qualified freight forwarder, and in subsequently evaluating the freight forwarder's performance.

It is important to note that the freight forwarder, as an agent of a foreign country, is not a part of or under the direction of any element of the U.S. Navy Supply System. However, because most FMS material will be shipped to the freight forwarder utilizing U.S. supply system procedures, it is important that FMS customers make sure that their freight forwarder understands the U.S. material shipment system. Knowledge of these procedures should allow the freight forwarder to effectively interface the U.S. Government procedures with his own

10110 (Continued)	operation. In this respect, a copy of Chapter 10 should be made available to the foreign government's designated freight forwarder.
10120 METHODODOLOGY	The methodology to accomplish these goals is to first describe the material movement process and define the roles of U.S. Government activities and private manufacturers. Next, a detailed description of the forms and procedures used in the movement of FMS material to the freight forwarder is given. The chapter concludes with a section describing unusual or exceptional situations such as the movement of classified and repairable material. Throughout the chapter situations are presented that have previously caused problems for freight forwarders.
10130 FMS MATERIAL MOVEMENT OVERVIEW	The process of rendering logistic support to an FMS customer begins with the establishment of an official Foreign Military Sales agreement between the U.S. Government and the customer country. The flow of FMS material shipments to the foreign customer is shown in Figure 10-1. The process is initiated by the submission of "pull" or "push" requisitions into the U.S. system. ("Pull" requisitions are originated by the FMS customer and are requests to draw material from the U.S. system. "Push" requisitions are prepared by a U.S. agency or office on behalf of the FMS customer.) The material provided in response to both types of requisition is generally shipped to the customer via the freight forwarder.
10131 NAVILCO INPUT OF REQUISITIONS	Requisitions from the customers are initially submitted to the U.S. Navy International Logistics Control Office (NAVILCO), at Philadelphia, Pennsylvania. NAVILCO, who is responsible for introducing/controlling all

FIGURE 10-1
Flow of FMS Material
to the Customer

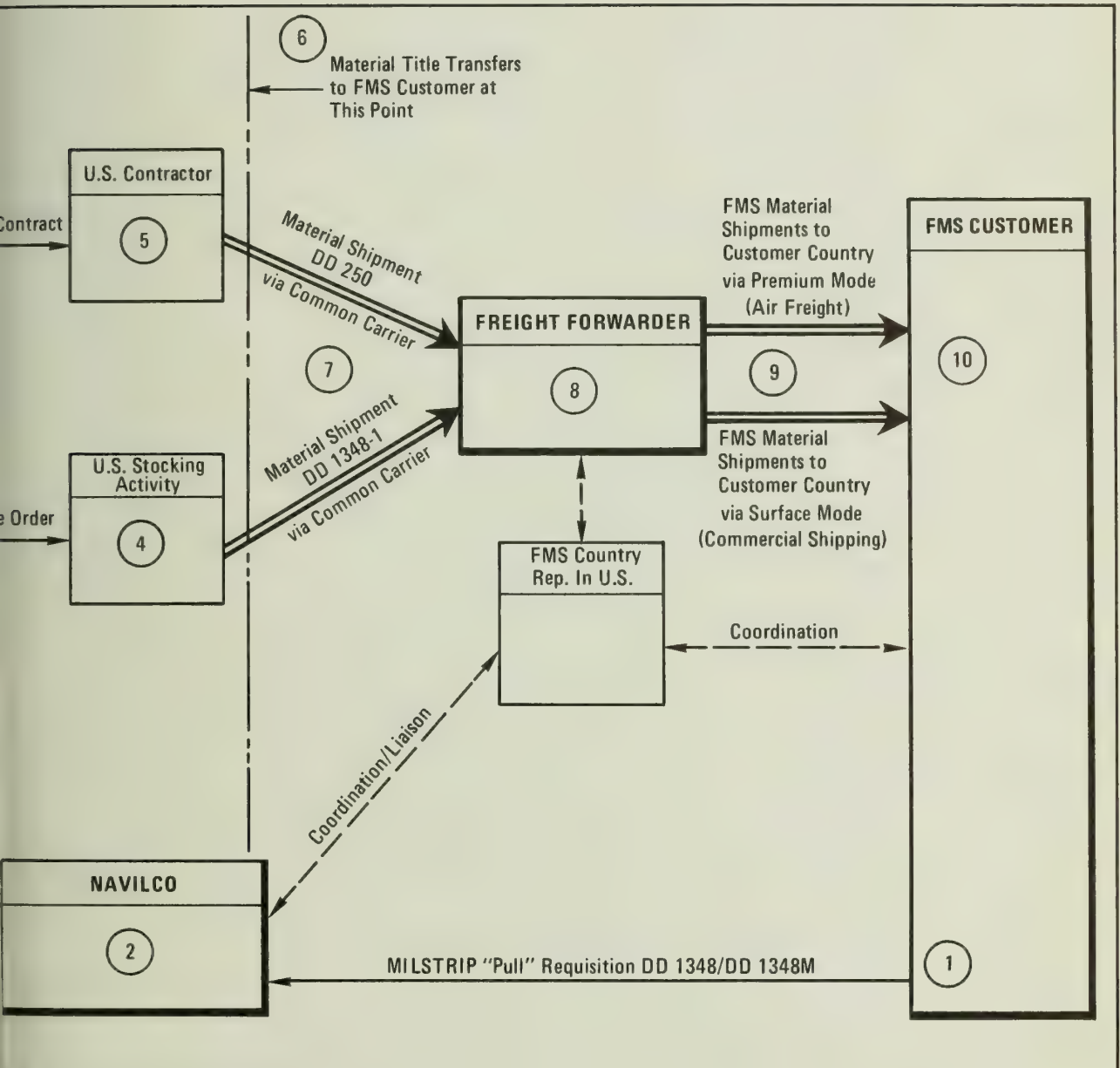
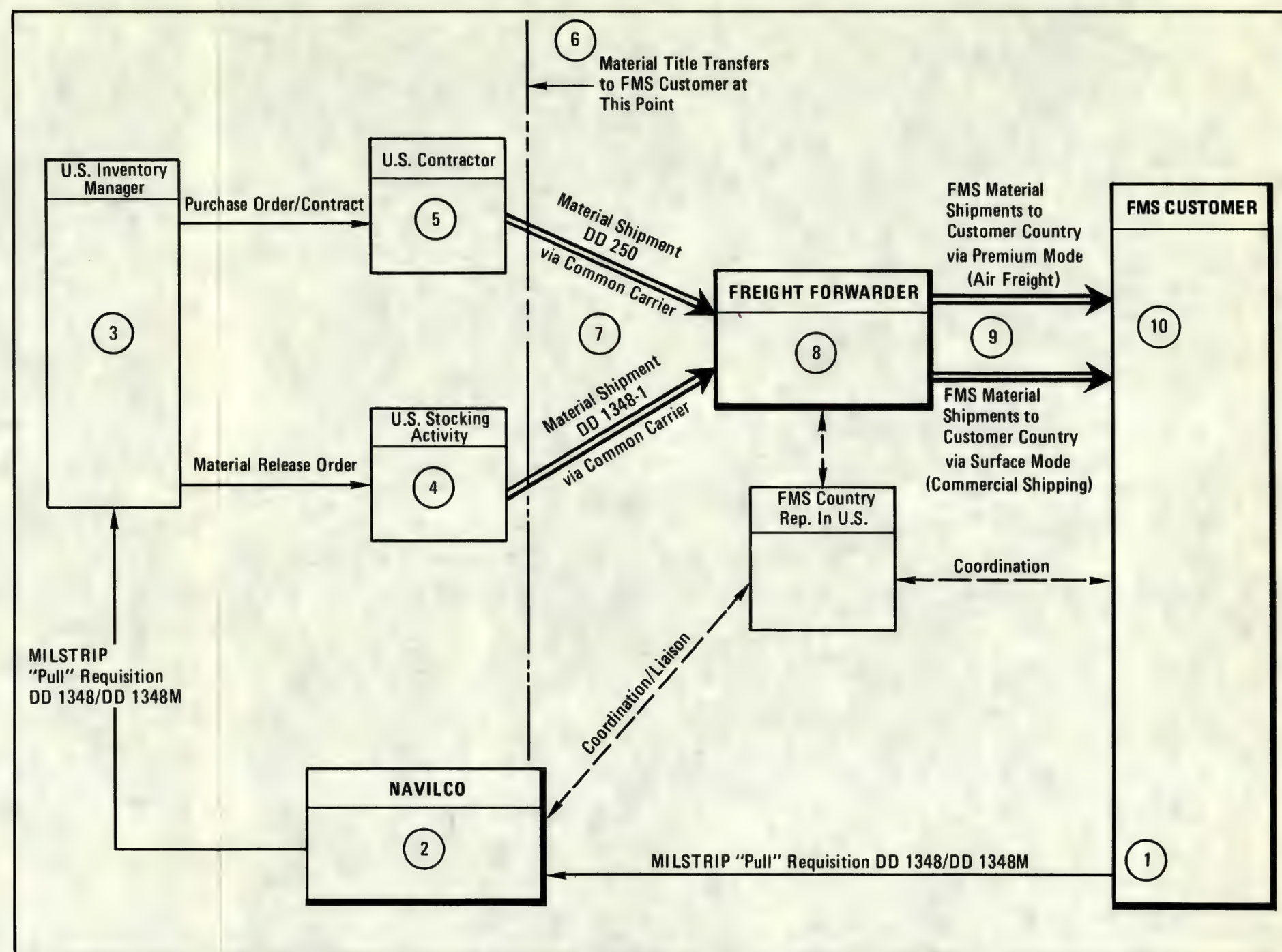


FIGURE 10-1
Flow of FMS Material
to the Customer

STEPS IN PROCESS

- 1 CUSTOMER PREPARES REQUISITION AND SUBMITS TO NAVILCO
- 2 NAVILCO PROCESSES REQUISITION AND FORWARDS TO COGNIZANT INVENTORY MANAGER FOR SUPPLY ACTION
- 3 INVENTORY MANAGER TRANSMITS REQUISITION TO STOCKING ACTIVITY (STOCK POINT) FOR ISSUE FROM AVAILABLE STOCK, OR PREPARES PURCHASE ORDER FOR PROCUREMENT FROM COMMERCIAL SOURCE (U.S. CONTRACTOR)
- 4 STOCK POINT ISSUES AND SHIPS ITEM TO CUSTOMER, OR
- 5 COMMERCIAL SUPPLIER (U.S. CONTRACTOR) PRODUCES ITEM UNDER PURCHASE ORDER 1 CONTRACT
- 6 ITEM IS INSPECTED AND ACCEPTED AT CONTRACTORS PLANT; DD FORM 250 IS SIGNED. TITLE (OWNERSHIP) FOR MATERIAL TRANSFERS TO FMS CUSTOMER
- 7 MATERIAL IS SHIPPED (TRANSPORTED) BY COMMON CARRIER (COMMERCIAL TRUCK) OR U.S. PARCEL POST, TO DESIGNATED FREIGHT FORWARDER FOR PROCESSING/TRANS-SHIPMENT
- 8 FREIGHT FORWARDER SEGREGATES MATERIAL BY DESTINATION AND FMS CASE NOS., FOR OVERSEAS SHIPMENT AND DELIVERY TO CUSTOMER
- 9 MATERIAL IS SHIPPED TO CUSTOMER COUNTRY BY AVAILABLE COMMERCIAL SHIPPING (SURFACE MODE) OR AIR SHIPPED (PREMIUM MODE)
- 10 SHIPMENT RECEIVED BY CUSTOMER AT DESIRED IN-COUNTRY DESTINATION DELIVERY POINT



10131 Navy FMS program, requirements, captures specific financial and material data from the requisition, and forwards the document to the appropriate U.S. inventory manager.

(Continued)

10132 The inventory manager (Navy Systems Command, Inventory Control Point, Defense Logistics Agency, General Services Administration, or other designated activity) determines whether the material is available at a U.S. Government source of supply or must be purchased from a commercial source. If the requested material is available in the U.S. Government system, the inventory manager generally directs the stocking activity to release the material for shipment to the FMS customer's freight forwarder. If the material is not available in government stocks, the requisition is placed as a contract order with a commercial manufacturer or supplier. The contractor is also generally instructed to ship the material to the appropriate freight forwarder.

INVENTORY
MANAGER ACTION

10133 Sources of supply, both government and commercial, pack the material and arrange for its delivery to the appropriate freight forwarder. Government sources of supply identify the proper freight forwarder to address by translating certain MILSTRIP codes on the form DD 1348 requisition. These codes are converted to full clear text addresses in the U.S. Department of Defense Military Assistance Program Address Directory (MAPAD) (DOD 5105.38). The appropriate freight forwarder address is annotated on the DD Form 1513 Offer and Acceptance document by the customer country. Commercial contractors are provided the address of the freight forwarder in the contract document by which the material is ordered.

SOURCE OF
SUPPLY ACTION

10133

(Continued)

Sources of supply are responsible for the proper packaging and marking of FMS material. The material will be packaged suitable for overseas shipment and will be marked as a minimum with the:

- . FMS case number
- . Requisition number
- . Priority
- . Shipped from address
- . Shipped to address
- . Ultimate consignee address (coded and clear text) (if applicable)
- . Mark for (if applicable).

Sources of FMS material are also responsible for arranging transportation of the material to the freight forwarder. Common carriers (trucking companies, airlines, railroads, and coastal shipping companies) are utilized for this purpose. The mode of shipment is dependent upon the requisition priority and type of material.

10134

TRANSFER OF
DEPOT/CONTRACTOR
TITLE TO FMS
CUSTOMER

It is important to note as shown in Figure 10-1 that U.S. Government responsibility and ownership for the FMS material ends when the source of material (government or commercial) releases the material to a carrier. Ownership transfers to the foreign customer and billing for the material occurs based on proof that the material was picked up by a carrier. For government sources of supply the proof of shipment picked up by the carrier is the completed DD Form 1348-1, DOD Single Line Item Release/Receipt Document. For commercial suppliers (contractors) the DD Form 250, Material Inspection and Receiving Report, represents the

10134

(Continued)

proof of shipment (picked up by the carrier). Forms DD 1348-1 and DD 250 are explained in detail later in the chapter.

10135

DISCREPANCIES

Freight forwarders and foreign customers are asked to deal directly with carriers for discrepancies such as damages in shipment and losses in transit. These discrepancies are known as carrier discrepancies. Because of the transfer of title noted above, the U.S. Government does not have responsibility for these types of discrepancies.

It is important to note, in accordance with U.S. Interstate Commerce Commission regulations which govern freight movements in the United States, that when shipment discrepancies are evidenced, the freight forwarder, as the receiving agent, must so indicate on the receipt document. The freight forwarder then has the option of refusing to accept delivery of the material, or accepting delivery on an exception basis, with extent of damage or loss carefully noted on the receipt document. If the freight forwarder refuses to accept delivery of a shipment, a claim must be made against the carrier within 120 days. If delivery is accepted, the claim must be registered within two years.

The U.S. source of supply or private contractor does retain responsibility for discrepancies known as shipper discrepancies. These include shortages due to improper counts, duplicate shipment, and damages prior to shipment. The freight forwarder or foreign customer may deal directly with SAAC in these cases. The detailed procedures for processing discrepancies are explained in Chapter 7.

10200

SECTION B--PROCEDURES

10210

FREIGHT FORWARDER RECEIPT OF MATERIAL

FMS material will be shipped to the freight forwarder from either U.S. Government or commercial contractor sources of supply. The shipments from either source may be:

- . Automatic Shipments. Automatic shipments are turned over to a carrier for transportation to the freight forwarder whenever the material becomes available.
- . Shipments Subsequent to Notice of Availability. Shipments subsequent to notice of availability are held at the source and a notice is sent to the freight forwarder informing him that the material is available for shipment.

10211

NOTICE OF AVAILABILITY

As previously discussed in Chapter 2, "Offer/Release Option Codes," Item 19 of the DD Form 1513, Offer and Acceptance Document determines whether FMS material shipments are shipped automatically to the freight forwarder or held at the source, pending notice of availability.

MILSTRIP Notices of Availability (NOA) are prepared on DD Form 1348-5, "Notice of Availability/Shipment." Figure 10-2 shows an example of a manually prepared notice. The requirement for an NOA is dependent upon the Offer/Release Option Code, card column 46.

- . Offer/Release Option Code "A" authorizes automatic shipment to the appropriate address in the Military Assistance Program Address Directory, 5105.38-D.

FIGURE 10-2
Notice of Material Availability
DD Form 1348-5

FROM (Issuing Activity's complete name and address)		Naval Supply Center Norfolk, Virginia 23512 ATTN: Transportation Officer			
NUMBER OF LINE ITEM(S) IDENTIFIED ON ACCOMPANYING DD FORM(S) 250/1348-1 →					1
LINE NO.	TYPE PACK	PIECES	WEIGHT (Lbs)	CUBE	SECURITY CLASSIFICATION
1	CN	2	50	5	UNCLASSIFIED
EXTREME DIMENSIONS/WEIGHT					
WEIGHT (Lbs)		LENGTH (Feet)		WIDTH (Feet)	HEIGHT (Feet)
TO BE COMPLETED BY ADDRESSEE (Press hard when writing)					
Main Copy 2 for your records. 2. Fold Copy 3, place in envelope and mail at once to the Issuing Activity's address.					
Name and address of Consignee)					
Naval Supply Center		STREET c/o Behring International 415 Raritan Center Bldg 4			
		STATE (Include ZIP Code) New Jersey 08219			
Shipment: Motor truck					
<div style="border: 1px solid black; padding: 10px; margin: 10px;"> <div style="display: flex; justify-content: space-between;"> <div>→</div> <div> Behring International Bldg 4 415 Raritan Center Edison, NJ 08219 </div> <div>┐</div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div>└</div> <div></div> <div>└</div> </div> </div>					

COPY 1

FIELD

EXPLANATION

For: Name of FMS Customer Country

Notice No: A serial number for the Notice of Availability. Consists of 3 digit Julian date of the notice and an alphabetic identification code. Serial number should be used on correspondence, replies, or inquiries related to notice.

Case No: FMS Case Number

Type Pack: MILSTRIP code identifying the type of packaging for the shipment. Codes are identified in MILSTRIP Manual.

Pieces: Number of pieces in the shipment.

Weight: Total weight of the shipment in pounds.

Cube: Volume of the shipment in cubic feet.

Security Classification: For classified material enter highest classification, e.g., CONFIDENTIAL, SECRET. Otherwise enter UNCLASSIFIED.

NOTICE OF AVAILABILITY/SHIPMENT				FROM (Issuing Activity's complete name and address) Naval Supply Center Norfolk, Virginia 23512 ATTN: Transportation Officer			
FOR (Name of Country) Latonia		NUMBER OF LINE ITEM (S) IDENTIFIED ON ACCOMPANYING DD FORM (S) 250/1348-1 1					
NOTICE NUMBER 031A	CASE NO. LAT	TYPE PACK CN	PIECES 2	WEIGHT (Lbs) 50	CUBE 5	SECURITY CLASSIFICATION UNCLASSIFIED	
AMMUNITION/EXPLOSIVES CLASS		EXTREME DIMENSIONS/WEIGHT					
		WEIGHT (Lbs)	LENGTH (Feet)	WIDTH (Feet)	HEIGHT (Feet)		
TO BE COMPLETED BY ADDRESSEE (Press hard when writing)							
1. After completion detach both copies - retain Copy 2 for your records. 2. Fold Copy 3, place in envelope and mail at once to the Issuing Activity's address.							
CONSIGNEE TO (Enter the complete name and address of Consignee)							
NAME Latonia Naval Supply Center			STREET c/o Behring International 415 Raritan Center Bldg 4				
CITY Edison			STATE (Include ZIP Code) New Jersey 08219				
OTHER INFORMATION							
Mode of Shipment: Motor truck							
ADDRESSEE → Behring International Bldg 4 415 Raritan Center Edison, NJ 08219							

10211 . Offer/Release Option Code "Y"
(Continued) indicates that shipment will
be released to the freight
forwarder on the 15th calendar
day after the Notice of Avail-
ability (NOA) date, unless
alternate shipping instruc-
tions are received.

. Offer/Release Option Code "Z"
indicates that shipment will
be held, pending receipt of
shipping/other instructions
from the freight forwarder.

10212 Each individual line item in a ship-
ment unit will have an accompanying DD
DD FORM 1348-1 Form 1348-1. The DD Form 1348-5 will
ACCOMPANYING THE serve as a cover document for each ship-
DD 1348-5 ment unit. Together, these documents
comprise the original Notice of Availa-
bility (NOA). Shipments from procurement
may use DD Form 250, Material Inspection
and Receiving Report, or other authorized
documents, in lieu of DD Form 1348-1.

10213 The freight forwarder is required
FREIGHT FOR- to furnish shipping or other instructions
WARDER REPLIES after receipt of an original Notice of
TO NOA Availability. Replies to NOA will be
furnished in two different manners:

- (1) Notice of Availability without
Export Release Requirement; and
- (2) Notice of Availability with
Export Release required.

10214 The freight forwarder reply to an
original NOA without an export release
NOA WITHOUT requirement may be by letter, Freight
EXPORT RELEASE Forwarder forms designed to provide
REQUIREMENT shipping/other instructions or on the
original DD 1348-5, Notice of Availa-
bility/Shipment.

Replies should identify:

10214

(Continued)

- . Activity preparing the response
- . NOA serial number
- . FMS case number
- . Requested shipment or pickup date
- . Clear single destination address (if the material is to be shipped).

10215

DELAY NOTICE
OF AVAILABILITY

Material is held by the shipping activity pending receipt of release instructions from the freight forwarder for Offer/Release Option Code "Z" shipments. Should such instruction not be received within 15 calendar days after the NOA date, a duplicate of the NOA will be transmitted to the designated notice recipient, with the same shipment unit number assigned. This duplicate NOA will be annotated to indicate the shipment delay is caused by the freight forwarder's failure to furnish release and shipping instructions. This constitutes a Delay Notice of Availability. In the event shipments are delayed, customer countries may be liable for additional storage and holding costs.

10216

NOA EXPORT
RELEASE
REQUIRED

Export Release is MTMC routing authority to load, tender, move certain categories of shipments (i.e., hazardous material, ammunition, classified, etc.) as specified in Military Traffic Management Regulations (NAVSUP Instruction 4600.70), Chapter 202.

The freight forwarder reply to an original NOA with export release required will furnish shipping or other instructions and coordinate these or other shipment instructions with the Military Traffic Management Command (MTMC).

10216
(Continued)

When an export release is required, the shipment will be held pending receipt of releasing authority and shipping instructions from the MTMC and if such instructions are not received within 15 calendar days after the NOA date, a follow-up only to MTMC will be made by the shipping activity.

10217
FREIGHT
FORWARDER REJECTION OF SHIPMENT

When a country replies to a NOA and rejects the shipment because the shipment unit contains material which will constitute a duplicate shipment, the shipping activity will withdraw the rejected material from the shipment and prepare a new Notice of Availability/Shipment.

10218
SHIPMENTS FROM
GOVERNMENT
SOURCES

FMS material shipped from U.S. Government sources of supply will be documented by DD Form 1348-1, DOD Single Line Item Release/Receipt Document. This document is a 6-copy form containing numerous MILSTRIP codes which describe the initial requisition and the shipping information for the material. Two sets of documents are prepared for all FMS transactions. The number 5 copy of the original DD Form 1348-1 and a complete duplicate set of documents will be mailed to the freight forwarder separately from the material. For parcel post shipments, one copy of the original set will be attached to the outside of the container with remaining copies inside. If the container is not large enough for such attachment, the copy will be placed inside the container. For material shipped by other than parcel post, an advance copy Collect Commercial Bill of Lading (CCBL) will also be forwarded to the freight forwarder.

Material will arrive with the number 4 copy of the DD Form 1348-1 attached to the outside of the container and the remaining copies inside. (The U.S. source of supply will retain the original front copy of the form.)

10218

(Continued)

Figure 10-3 shows a DD Form 1348-1. The notes explain the data elements which are of importance to freight forwarders.

10219

SHIPMENTS FROM
PRIVATE
CONTRACTORS

Shipments from private contractors or suppliers will occur when the material was unavailable at government sources when requisitioned and a commercial contract order was established to provide the material. The contracting activity, usually an inventory manager, instructs the supplier to ship the material to the designated freight forwarder. A government representative will normally inspect and certify the material as satisfactory at the contractor's plant or warehouse.

Material shipped by commercial contractors will be documented by DD Form 250, Material Inspection and Receiving Report (MIRR), or infrequently DD Form 1155, Order for Supplies or Services. Freight forwarders will normally receive four copies of the DD Form 250 with the material, one copy of which will be attached to the outside container. Some contracts may provide for the contractor to forward a separate advance copy of the DD Form 250 to the freight forwarder when the material is shipped.

No action is required of freight forwarders with respect to certification or signing of DD Form 250. However, since in many instances the DD Form 250 is the only documentation provided for contract material, freight forwarders should be familiar with certain data elements on the form. Knowledge of this data will assist the freight forwarder in identifying the material for further shipment to the FMS customer.

FIGURE 10-3
DOD Single Line Item Release/Receipt
Document, DD Form 1348-1

17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80																																																																																																
DOCUMENT NUMBER										DATE										SERIAL										SUPPLEMENTARY ADDRESS										SIGNAL										FUND										DISTRIBUTION										PROJECT										PRIORITY										REQ'D DEL DATE										ADVISE										RI										UNIT PRICE										DOLLARS										CTS										CUMENT									
SHIP TO										MARK FOR										PROJECT										FREIGHT RATE										DOCUMENT DATE										MAT COND										QUAN										N										O										P																																																																					

31229 EA00020PXXA4450920916

DD FORM 1348-1
DOD SINGLE LINE ITEM RELEASE/RECEIPT DOCUMENT

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80																																																																																																														
DOC IDENT										STOCK OR PART NUMBER										QUANTITY										DOCUMENT NUMBER										SERIAL										SUPPLEMENTARY ADDRESS										FUND										DISTRIBUTION										PROJECT										PRIORITY										REQ'D DEL DATE										ADVISE										RI										UNIT PRICE										DOLLARS										CTS																																							
SHIPPED FROM										SHIP TO										MARK FOR										PROJECT										TOTAL PRICE										DOLLARS										CTS																																																																																																																																	
A WAREHOUSE LOCATION										B UNIT WEIGHT										C FREIGHT RATE										D DOCUMENT DATE										E MAT COND										F QUANTITY										G										H										I										J										K										L										M										N										O										P										Q										R										S									
F SUBSTITUTE DATA (ITEM ORIGINALLY REQUESTED)										G FREIGHT CLASSIFICATION NOMENCLATURE										H										I										J										K										L										M										N										O										P										Q										R										S																																																											
T										U ITEM NOMENCLATURE										V										W										X										Y										Z										AA										BB										CC										DD										EE										FF										GG																																																											
SELECTED BY AND DATE										TYPE OF CONTAINER(S)										TOTAL WEIGHT										RECEIVED BY AND DATE										INSPECTED BY AND DATE										PACKED BY AND DATE										NO OF CONTAINERS										TOTAL CUBE										WAREHOUSED BY AND DATE										WAREHOUSE LOCATION										REMARKS										FIRST DESTINATION ADDRESS										DATE SHIPPED										TRANSPORTATION CHARGEABLE TO										B/LADING AWB OR RECEIVER'S SIGNATURE (AND DATE)										RECEIVER'S DOCUMENT NUMBER																																							

DD FORM 1348-1 1 AUG 61 S/N 0102-013 1700

FIGURE 10-3
DOD Single Line Item Release/Receipt
Document, DD Form 1348-1

FIELD NAME	EXPLANATION	CARD COLUMN/BLOCK
Routing Identifier From	MILSTRIP code identifying the U.S. Government activity shipping the material.	4-6
Stock or Part Number	National Stock Number or manufacturer's part number of the item shipped.	8-22
Unit of Issue	A two digit abbreviation describing the smallest physical unit in which the item is issued.	23-24
Quantity	The number of units to be issued for shipment at the source of supply.	25-29
Service Code	Identifies the U.S. military service responsible for the shipment: B (U.S. Army) D (U.S. Air Force) K (U.S. Marine Corps) P (U.S. Navy)	30
Country Code	Two letter code representing requisitioning country.	31-32
Customer Within Country (Mark for)	Code assigned by FMS country. Freight forwarder should be provided list of these codes.	33
Condition of Sales Code	Code identifying U.S. Government responsibility and method of payment for transportation. Most material sent to freight forwarder will be "4", FOB Origin.	34
Type of Assistance Code	Code identifying type of assistance to foreign country. Codes 1, 2, 9, C, H, K, L, N, P, R, S identify Grant-Aid Material. Freight forwarders should notify NAVILCO upon erroneous receipt of Grant-Aid Material.	35
Date	Four digit Julian date.	36-39
Serial	Four digit requisition serial number.	40-43
Suffix Code	Code denoting that shipment quantity is a partial fulfillment of requisitioned quantity.	44

DD FORM 1348-1 DOD SINGLE LINE ITEM RELEASE/RECEIPT DOCUMENT																																																																															
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80
SHIPPED FROM										SHIP TO										MARK FOR										PROJECT										TOTAL PRICE																																							
A WAREHOUSE LOCATION										B TYPE OF UNIT										C FREIGHT RATE										D DOCUMENT DATE										E QUANTITY										F UNIT PRICE																													
F SUBSTITUTE DATA (ITEM ORIGINALLY REQUESTED)										G FREIGHT CLASSIFICATION										H NOMENCLATURE										I										J																																							
T										U										V										W										X																																							
W SELECTED BY AND DATE										X TYPE OF CONTAINERS										Y TOTAL WEIGHT										Z RECEIVED BY AND DATE										AA INSPECTED BY AND DATE																																							
P PACKED BY AND DATE										Q NO. OF CONTAINERS										R TOTAL CUBE										S WAREHOUSED BY AND DATE										T WAREHOUSE LOCATION																																							
REMARKS										CC										DD										EE										FF																																							
AA FIRST DESTINATION ADDRESS										BB DATE SHIPPED										CC										DD										EE																																							
11										12										13										14										15																																							
13 TRANSPORTATION CHARGEABLE TO										14 B/LADING, AWR, OR RECEIVER'S SIGNATURE (AND DATE)										15 RECEIVER'S DOCUMENT NUMBER																																																											

FIGURE 10-3 (2)

Document, DD Form 1348-1

PZ2ABC

05170

DD FORM 1348-1

DD FORM 1348 1 1 AUG 61 DOD SINGLE LINE ITEM RELEASE / RECEIPT DOCUMENT

FIGURE 10-3(2)
DOD Single Line Item Release/Receipt
Document, DD Form 1348-1

FIELD NAME	EXPLANATION	CARD COLUMN/BLOCK
Service Code	Identifies customers military service to receive material. B (U.S. Army) D (U.S. Air Force) K (U.S. Marine Corps) P (U.S. Navy)	45
Release Option Codes	Code identifying method of material release: A—Automatic Y—Subsequent to Notice Z—Subsequent to Notice	46
Freight Forwarder Code	Freight forwarder code (as entered in MAPAD).	47
Case Designator	Three alphabetic characters identifying applicable FMS Case.	48-50
Project Code	Project code space may be used by FMS customer and freight forwarder for other information.	57-59
Priority	A two digit code identifying the urgency of the requirement. FMS customers will provide guidance to freight forwarders for making selection based on priority.	60-61
Required Delivery Date (RDD)	A three digit Julian date identifying the date in which the customer requires the material.	62-64
All other blocks are self-explanatory.		

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80									
DOC. IDENT. FROM M S FSC FIN ADDTL UNIT ISSUE QUANTITY									
REQUISITIONER DATE SERIAL SUPPLEMENTARY ADDRESS SIGNAL FUND DISTRI-BUTION PROJ-ECT PRI-ORITY REQ'D DEL DATE ADVISE RI									
SHIPPED FROM SHIP TO MARK FOR PROJECT									
FREIGHT RATE DOCUMENT DATE MAT COM QUANTITY									
N O P Q									

DD FORM 1348-1
DOD SINGLE LINE ITEM RELEASE/RECEIPT DOCUMENT

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80									
DOC. IDENT. FROM M S FSC FIN ADDTL UNIT ISSUE QUANTITY									
REQUISITIONER DATE SERIAL SUPPLEMENTARY ADDRESS SIGNAL FUND DISTRI-BUTION PROJ-ECT PRI-ORITY REQ'D DEL DATE ADVISE RI									
SHIPPED FROM SHIP TO MARK FOR PROJECT									
FREIGHT RATE DOCUMENT DATE MAT COM QUANTITY									
N O P Q									
SUBSTITUTE DATA (ITEM ORIGINALLY REQUESTED) FREIGHT CLASSIFICATION NOMENCLATURE									
T U V									
W X Y									
SELECTED BY AND DATE TYPE OF CONTAINERS TOTAL WEIGHT RECEIVED BY AND DATE INSPECTED BY AND DATE									
PACKED BY AND DATE NO. OF CONTAINERS TOTAL CUBE WAREHOUSED BY AND DATE WAREHOUSE LOCATION									
REMARKS									
AA BB CC DD EE									
FIRST DESTINATION ADDRESS DATE SHIPPED									
11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80									
TRANSPORTATION CHARGEABLE TO 14 B/LADING, AWB, OR RECEIVER'S SIGNATURE (AND DATE) 15 RECEIVER'S DOCUMENT NUMBER									

10219
(Continued)

Figure 10-4 shows a DD Form 250 for FMS material. The notes explain the data blocks that are of importance to freight forwarders.

Freight forwarders in the past have frequently complained that DD Form 250 for FMS material have been incomplete. Discrepancies in DD Form 250 that prohibit processing of FMS material should be referred to NAVILCO for resolution.

10220

TRANSPORTATION
PRIORITIES

The processing of requisitions and the issue, handling, and transportation of material throughout the U.S. Department of Defense (DOD) is governed by the Uniform Material Movement and Issue Priority System. UMMIPS provides a way of ensuring that more urgent requirements, both in terms of the degree of need and the military importance of the requisitioner, are accorded greater priority. Customer countries ordering material under the FMS Program are required to utilize UMMIPS. Detailed instructions for assignment of priority indicators under UMMIPS are provided in Chapter 2.

Transportation priorities are derived from UMMIPS priorities as follows:

UMMIPS Issue Group	Transportation Priority
1 (Priorities 1-3)	1
2 (Priorities 4-8)	2
3 (Priorities 9-15)	3

For freight shipments a DD Form 1387 will normally be affixed to the material. The transportation priority will appear in the upper right-hand corner. Manually prepared parcel post labels will identify the transportation priority in the upper left hand side of the form. Additionally, DD 1348-1s which are used for parcel post shipments may be color coded as follows:

FIGURE 10-4
Material Inspection and Receiving
Report, DD Form 250

MATERIAL INSPECTION AND RECEIVING REPORT		1 PROC INSTRUMENT IDEN(Contract) PLT 04452260021		ORDERING NO NO		6 INVOICE DATE		7 PAGE 1 OF 1		8 ACCEPTANCE POINT S			
2 SHIPMENT NO A007Z		3 DATE SHIPPED 11/18/75		4 B L TCN N00104-75-F-0131		5 DISCOUNT TERMS							
9 PRIME CONTRACTOR Formrite Tool Co. Inc. 3101 Liberty Avenue Franklin Park, Ill. 66071				10 ADMINISTERED BY DCASR - Chicago O'Hare International Airport Chicago, Illinois									
11 SHIPPED FROM (If other than 9) CODE				FOB		12 PAYMENT WILL BE MADE BY DCASR - Chicago DCRI - FMC O'Hare International Airport Chicago, Illinois							
13 SHIPPED TO Acme Freight Forwarders, Inc. #7 Industrial Park Orange, New Jersey 07814				14 MARKED FOR LT0431 Central Navy Depot Barlane, Latonia FMS Case No. XYZ									
15 ITEM NO		16 STOCK PART NO Indicate number of shipping containers - type of container, container number		17 DESCRIPTION		18 QUANTITY SHIP REC'D		19 UNIT		20 UNIT PRICE		21 AMOUNT	
1		MFR PN W8119629 PC 501, Compressor Spring Assy. Latonia, LT 0431-5092-1005, GW 75 Lbs. FMS Case No. XYZ				2		Ea		110.00		220.00	
21 PROCUREMENT QUALITY ASSURANCE												22 RECEIVER'S USE	
<input type="checkbox"/> POA A. ORIGIN <input checked="" type="checkbox"/> ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents						<input type="checkbox"/> POA B. DESTINATION <input type="checkbox"/> ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents						Quantities shown in column 17 were received in apparent good condition except as noted	
DATE TYPED NAME AND OFFICE R. B. Waters DCASR REP						DATE TYPED NAME AND TITLE						DATE RECEIVED SIGNATURE OF AUTH GOVT REP TYPED NAME AND OFFICE	
23 CONTRACTOR USE ONLY												* If quantity received by the Government is the same as quantity shipped, indicate by "X" - mark, if diff. Report actual quantity received below quantity shipped and enclose	

DD FORM 250 1 NOV 68 REPLACES EDITION OF 1 AUG 67 WHICH MAY BE USED

FIGURE 10-4
Material Inspection and Receiving
Report, DD Form 250

DD FORM 250
MATERIAL INSPECTION AND RECEIVING REPORT (MIRR)

NON SELF EXPLANATORY FIELDS OF IMPORTANCE
TO FREIGHT FORWARDERS

FIELD NAME	EXPLANATION	BLOCK NO.
Shipment No.	Identifies the number of the shipment for a given contract number. (A001, A002, A003, etc.) Of importance is the fact that the <i>final shipment</i> under a contract has a <i>2 suffix</i> to the shipment number.	2.
Shipped To	Identifies the address of the freight forwarder.	13.
Marked For	For FMS shipments. This block identifies the in country customer address and case number as provided to the <i>supplier in the contract</i> . Should be verified by freight forwarder.	14.
Stock/Part No., Description	Provides full item description, both technical numbers and nomenclature. Also contains special markings, FMS requisition number, gross weight, and FMS case number.	16.
Quantity Shipped/Received	Indicates the quantity shipped from the manufacturer. Freight forwarder should check for discrepancies between shipped and received quantity.	17.
Procurement Quality Assurance A. Origin	Block used by government inspector to indicate acceptance of the material. No entries will be made by freight forwarders.	21.

MATERIAL INSPECTION AND RECEIVING REPORT		1. PROC. INSTRUMENT IDEN/CONTRACT: PLT 04452280021		2. ORDER NO.		3. INVOICE NO.		4. PAGE 1 OF 1	
2. SHIPMENT NO. A007Z		3. DATE SHIPPED 11/18/75		4. B. L. TCN N00104-75-F-0131		5. DISCOUNT TERMS		6. ACCEPTANCE POINT S	
7. PRIME CONTRACTOR CODE Formrite Tool Co. Inc. 3101 Liberty Avenue Franklin Park, Ill. 66071		8. ADMINISTERED BY CODE S1402U DCASR - Chicago O'Hare International Airport Chicago, Illinois		9. MARKED FOR CODE LT0431 Central Navy Depot Barlane, Latonia FMS Case No. XYZ		10. PAYMENT WILL BE MADE BY CODE S1402U DCASR - Chicago DCRI - FMC O'Hare International Airport Chicago, Illinois		11. SHIPPED FROM (If other than 7) CODE	
12. SHIPPED TO CODE Acme Freight Forwarders, Inc. #7 Industrial Park Orange, New Jersey 07814		13. QUANTITY SHIP. REC'D 2		14. UNIT Ea		15. UNIT PRICE 110.00		16. AMOUNT 220.00	
17. ITEM NO. 1		18. STOCK/PART NO. (Indicate number of shipping containers - type of container - container number.) MFR PN W8119629 PC 501, Compressor Spring Assy. Latonia, LT 0431-5092-1005, GW 75 Lbs. FMS Case No. XYZ		19. DESCRIPTION		20. DATE RECEIVED		21. SIGNATURE OF AUTH GOVT REP	
22. PROCUREMENT QUALITY ASSURANCE		23. RECEIVER'S USE		24. DATE RECEIVED		25. SIGNATURE OF AUTH GOVT REP		26. TYPED NAME AND OFFICE	
A. ORIGIN		B. DESTINATION		C. QUANTITY SHIP. REC'D		D. UNIT		E. UNIT PRICE	
<input type="checkbox"/> POA <input checked="" type="checkbox"/> ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents.		<input type="checkbox"/> POA <input type="checkbox"/> ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents.		Quantity shown in column 17 above received in apparent good condition except as noted.		DATE RECEIVED		SIGNATURE OF AUTH GOVT REP	
DATE TYPED NAME AND OFFICE R. B. Waters DCASR REP		DATE TYPED NAME AND OFFICE		DATE RECEIVED SIGNATURE OF AUTH GOVT REP		DATE RECEIVED SIGNATURE OF AUTH GOVT REP		TYPED NAME AND OFFICE	
27. CONTRACTOR USE ONLY		28. CONTRACTOR USE ONLY		29. CONTRACTOR USE ONLY		30. CONTRACTOR USE ONLY		31. CONTRACTOR USE ONLY	

10220

(Continued)

Red	Transportation Priority 1
Blue	Transportation Priority 2
White	Transportation Priority 3

It is important that the freight forwarder be able to recognize priority shipments and give special expeditor treatment in the processing and transshipment of priority cargo, including the use of premium transportation where necessary.

10300

SECTION C--AREAS OF SPECIAL INTEREST

10310

GENERAL

The purpose of this section is to describe three areas of special interest to freight forwarders. The areas are:

- . Repairable Items
- . Publications
- . Classified Material.

The action taken by the freight forwarder will change slightly for each of these three types of material.

10320

REPAIRABLES
PROCESSING

The subject of repairable items is addressed in detail in Chapter 5. The concepts are briefly restated here.

Many items of FMS material can be repaired when they become unserviceable. This procedure is generally less expensive than purchasing a completely new item. Two procedures for accomplishing this repair are currently available to FMS customers:

- . Return and Exchange Procedures
- . Return, Repair, and Reshipment Procedures.

In both procedures unserviceable items are shipped to the U.S. by the FMS customer. This material is normally shipped to the country's freight forwarder. If the item is under Return and Exchange, the U.S. source of supply will issue a new replacement item upon receipt of the unserviceable unit. Under Return, Repair, and Reship, the unserviceable item will be repaired in the U.S. and returned to the FMS country.

The freight forwarder is of major importance in the repairables programs. Timely processing is crucial in the return and exchange program because

10320

(Continued)

NAVILCO will not authorize the issue of a new item until receipt of the unserviceable unit in the U.S. supply system is confirmed. Timely and efficient processing of unserviceable units by the freight forwarder will also substantially reduce the total time cycle for the return repair, and ship program.

Unserviceable units will be returned to the U.S. DOD supply system through the FMS country's freight forwarder and must be accompanied by a DD Form 1348-1 (DOD Single Line Item Release/Receipt Document prepared as described in Chapter 5. The freight forwarder will arrange for onward shipment of the repairable item to the activity noted in the "Ship To" (Block B) address of the DD Form 1348-1 as shown in Figure 10-5.

The freight forwarder's special role in the repairables program is completed when the unserviceable unit is shipped to the U.S. address. The replacement or repaired item will be shipped to the freight forwarder, but it is processed in the same manner as any other FMS material en route to the customer.

10330

PUBLICATIONS

Technical publications are crucial items in the FMS program. They often provide the only operating and maintenance instructions for multimillion-dollar equipments. Without the publications these equipments may remain unused or unmaintained.

FIGURE 10-5
DD Form 1348-1 for Return
of Repairable Item to Designated
Overhaul Point in U.S.

[illegible]

10330

(Continued)

The urgency of need for publications often causes the FMS customer to require special handling of them by freight forwarders. The ability of the freight forwarder to provide special handling is enhanced if shipments of publications can be readily identified.

The exact level of special handling to be provided for publications is fully dependent upon the agreement between the FMS customer and the freight forwarder. The special services often include:

- . Unique conspicuous markings and labeling of publications for onward shipment to the FMS customer
- . Reduced time frames for the processing and reshipment of publications
- . Use of specified modes to accomplish the onward movement of publications.

Publications may also require special handling because of their security classification. The processing of classified material is the final area of special interest to be addressed in this chapter.

10331

CLASSIFIED
MATERIAL

The subject of classified material is explained in detail in Chapter 6. The purpose of repeating the topic here is to inform the FMS customer and the freight forwarder of the significant responsibilities incurred by the freight forwarder in processing classified material.

The first and most important requirement for processing classified material is that the freight forwarder company and its facility be properly certified or cleared to handle such

10331
(Continued)

material. Freight forwarders should contact the nearest Defense Contract Administration Service Regional Office (DCASR) to determine the exact requirement for obtaining the necessary clearances.

After obtaining the proper clearances and establishing the proper physical security for classified material it is important that the freight forwarder be able to identify classified material when it is shipped to him. It is likely that nearly all classified material will be shipped from U.S. Government sources of supply. Therefore, the freight forwarder should be familiar with the DD Form 1348-1 data elements that indicate whether a shipment is classified, and at what level it is classified.

10332
SECURITY/
PILFERAGE
CODES

Classified material can be identified by particular "Security/Pilferage Codes" ("SEC"). This one-character alphabetic code indicates that material is classified and the level of classification.

- . Codes "A," "B," "C," and "D" indicate that an item is classified "Confidential."
- . Codes "E," "S," "G," and "H" indicate that an item is classified "Secret."
- . Codes "F," "K," "L," and "T" indicate that an item is classified "Top Secret."

These codes are placed on the DD Form 1348-1 shipping document when the material being shipped is in fact classified. The codes, when applicable, are contained in block "N" of the DD Form 1348-1. Figure 10-6 shows an example of a DD Form 1348-1 for an item classified "Confidential."

FIGURE 10-6
DD Form 1348-1 for Shipment
of Classified Material

[illegible]

10333

SCREENING
FOR CLASSIFIED
MATERIAL

Freight forwarders and FMS country receiving personnel should carefully screen the DD Form 1348-1 to determine whether the material represented is classified. If the material is classified, proper care must be taken at all steps in the movement process to safeguard the security of the items.

10340

WHAT TO INCLUDE
IN THE FREIGHT
FORWARDER
CONTRACT

As described in paragraph 10110, the freight forwarder occupies a key role in the delivery of material to the FMS customer. As a designated agent of the customer country under contract to the foreign government, the freight forwarder must receive specific guidance from the customer country clearly defining the scope of effort required and delineating his assigned tasks. These details are usually provided contractual coverage in the form of a "Statement of Work" to be included in the contract with a freight forwarder.

10341

STATEMENT OF
WORK

The services of a qualified freight forwarder in the United States are procured under contract by the customer country for the purpose of receiving, processing and transshipment of FMS material purchased from the U.S. Government. The customer country is responsible for negotiation with the freight forwarder for the services required and for management of all functions related to handling of FMS material in transit. The U.S. Government has no jurisdiction or responsibility for accomplishment of these functions.

The following functions and tasks are required to insure effective transportation support and delivery of FMS material to the correct in-country destination. Each of these procedural areas is a responsibility of the FMS customer country. Delegation of responsibility to the freight forwarder for

(Continued)

accomplishment of these general and specific tasks can be made at the discretion of the customer. When such responsibility is assigned to freight forwarder, specific coverage should be included under the detailed "Statement of Work" in the freight forwarder's contract:

a. Export License. The freight forwarder should be provided appropriate export licenses for all FMS cases for material expected to be handled.

b. Warehousing and Storage Facilities. Adequate warehousing and freight terminal facilities should be available for segregated receipt, processing, and temporary storage of material from the time of delivery from the carrier until transshipped via air or surface carriers. Suitable materials handling equipment will be required for off-loading and loading commercial carrier equipment.

c. Receipt and Staging of Material. When material is received from a delivering commercial carrier, inspection should be made immediately to determine if number of pieces and identification of material correspond with items listed in the appropriate shipping documents. If shortages, damage, or pilferage are evident, documentation should be annotated to support claim action against the carrier. If discrepancies exist, the material should be held in a designated area, pending resolution or claim action. If the shipment checks out with no apparent discrepancy, the carrier will be released and material moved to a staging area or designated collection point for further processing.

(Continued)

d. Processing Material for Trans-shipment. The processing of material for onward delivery to the customer country should include, but is not limited to, the following:

(1) Hold advance copies of DD Form 1348-1 and DD Form 250 in a suspense file pending receipt of material.

(2) Match the advance copies of DD Form 1348-1/DD Form 250, or those received subsequent to receipt of material, with the actual case contract (i.e., items ordered) or with documentation received with the shipment, by TCN/Document Number, stock number, quantity, case number, "mark for" address, or any other element of identification that will assure the shipment received is fully identified with an appropriate FMS case and actually destined for movement to the country represented.

(3) Resolve any discrepancies by contact with the shipping activity or preparation of a Standard Form 364, Report of Item Discrepancy (ROID), or other suitable communication for submission to the country representative (see Chapter 7 on ROIDs).

(4) Examine exterior markings on shipping containers to determine that markings are correct and adequate to fully identify the shipment upon receipt of material by the requisitioner in-country; correct markings, as necessary.

(5) Assure that accompanying documents remain intact in the Packing List Envelope on the outside of

10341

(Continued)

the shipping container or package, to facilitate ready identification and processing by the in-country representative upon receipt.

(6) Examine all shipping containers for adequacy to withstand handling, stowage, and movement risks incurred for the air or surface shipment mode of transportation selected.

(7) Repackage, recrate, or reinforce containers found not adequate for onward movement. Freight forwarder should have a recooperage capability integral with the freight terminal facility for accomplishing these actions. Although export pack is prescribed for all FMS shipments, some contractor shipments may be domestic pack for CONUS delivery only. Also, some small parcel post shipments may not conform with export packaging specifications. Some packages may be burst open, crushed, or weakened due to rough handling by a carrier, with no apparent damage to contents. When, in the opinion of the freight forwarder, the shipment will not withstand further handling and over-ocean movement, it should be repackaged. It is a freight forwarder service responsibility to provide adequate onward protection to the in-transit material. The customer country is responsible for any additional costs incurred.

(8) Small packages should be consolidated to the maximum extent possible, into larger shipping containers, by case, priority, and final destination. It should be assured that all proper markings are placed on the new shipping

container to facilitate ready identification at destination.

(Continued)

(9) Appropriate documentation should be prepared for each shipment, i.e., bills of lading, air waybills, air or ocean manifests, customs declaration and clearance documents, and other required documentation.

e. Containerization. Where possible, surface cargo should be loaded in seavan-type or sealand van-type containers, to minimize loss, damage, and pilferage. However, container cargo shipments can only be used where the freight forwarder or the country has a break-bulk capability at the overseas port of discharge, for the purpose of offloading from the container and forwarding to the appropriate in-country destination. Complete listing of all shipments containerized should be provided.

f. Transportation Arrangements.

(1) Cargo space should be obtained and shipment booked with the selected air or surface carrier.

(2) Cargo should be delivered to and loaded aboard the appropriate air or surface carrier conveyance.

(3) All appropriate movement documentation should be provided upon tender of the shipment to the designated carrier.

(4) When material has been loaded aboard the carrier, copies of all documentation must be sent to the country as expeditiously as possible.

(Continued)

g. Customs Clearance.

(1) Export Declaration (US Department of Commerce Form 7525-V, "Shipper's Export Declaration") must be prepared for all FMS shipments.

(2) After the declaration has been prepared, exit customs clearance must be effected by submission of documents to the collector of customs or export control officers.

(3) The freight forwarder is responsible for obtaining and submitting bills of lading connected with the export and attending to certain other formalities, such as consular invoices, certificates of origin, and other required documents.

(4) Assistance should be rendered to the country in the provision of all formal documentation required to accomplish clearance in-country through the country customs agencies.

(5) All export of FMS material will be reported to the U.S. Department of Commerce as required by current federal statutes.

h. Financial Management. When FMS material is shipped to the freight forwarder on a collect commercial bill of lading, prompt settlement of freight charge accounts should be made. This should be handled through payment of charges upon delivery, or establishment of credit arrangements with delivery carriers.

i. Claims. The freight forwarder will establish a claims handling capability, and be responsible for filing claims against commercial carriers on behalf of the FMS customer for loss, damage, shortages, and pilferage of material incurred while in custody of

(Continued)

the carrier. The FMS customer will be credited with any reparation actually recovered as a result of claim action.

j. Return of Reparable Material. A capability should be established to receive all material returned from the customer country to CONUS for repair, overhaul, servicing, etc.; clear the material through U.S. Customs; and forward it prepaid to the designated CONUS overhaul and repair facility.

k. Insurance. Commercial insurance coverage should be provided for protection of all country-owned FMS material while in custody of the freight forwarder.

l. Notice of Availability (NOA). If the offer/release code specifies prior notification to the freight forwarder of material ready for shipment, the freight forwarder must provide expeditious response to each NOA requesting shipping instructions. Any alternate shipping instructions provided, such as a different carrier mode, alternate shipping address, port or consignee other than that specified in the MAPAD, will be observed. Instructions for holding the material until a specified date for future delivery or until availability of a vessel will not ordinarily be honored, as DOD shipping activities have limited transit holding space and cannot be used as in-transit storage facilities for the convenience of a freight forwarder.

m. Tracer Action. Every assistance possible is to be provided the customer country on follow-up tracing of specific material shipments. The FMS customer should be provided all receipt and transshipment data. If no record of receipt is indicated and the FMS customer provides evidence of

10341

(Continued)

shipment furnished by the origin shipping activity, tracer action will be initiated with the carrier concerned and the FMS customer apprised of findings.

n. Multiple Delivery Addressees. Shipments will be made only to the single address specified in the MAPAD or designated in an official response to the NOA and delivery authorized only to the consignee address indicated on the bill of lading. Any further reconsignment, diversion, storage, or other deviation directed by a freight forwarder that results in additional costs will be at the freight forwarder/FMS customer expense.

o. Discrepancy Reporting. The country representative will be advised by means of a Standard Form 364, Report of Item Discrepancy (ROID), or other suitable communication, of any discrepant shipments, e.g., misaddressed, misdirected shipments, erroneous documentation, faulty marking that precludes identification, or any other discrepancy that appears to be the responsibility of the U.S. Government shipping activity. Faulty packaging should be reported on a DD Form 6, Packaging Improvement Report, with pictures, if possible, to accompany the ROID.

p. Pilot Pickup of Material. When the freight forwarder is advised that a country-owned/operated aircraft is scheduled for a flight into CONUS to pick up country-owned material held by the freight forwarder, arrangements should be made with the U.S. Military Aerial Port of Entry for loading the country aircraft. Material to be loaded will be transported at freight forwarder expense Free-Along-Side (FAS) the aircraft. Any loading, off-loading, or handling charges also will be at

(Continued)

freight forwarder expense. If storage of material is required prior to loading date/time designated, off-base storage facilities will be required. Under no circumstances will U.S. military facilities or personnel be utilized for storage and handling of FMS customer-owned material or loading/unloading of the FMS customer aircraft, unless specifically authorized by the cognizant Military service with prior funding arrangements completed.

g. Administrative Responsibility. The freight forwarder is responsible for maintenance of adequate and accurate files on all FMS transactions, including, but not limited to, due-in files, advance shipping documents, NOA's and response, receiving documents, shipping manifests, bills of lading, customs clearance documents, tracer actions, claims actions, container listings, accurate listings of reimbursable expenses, invoices, and other documents or correspondence related to the shipments. Sufficient information should be on file to provide response immediately to any query of the country on status of any shipment.

r. Reporting System. A reporting procedure should be devised to keep the country representative advised on the current status of FMS shipments, to include advance notice of shipments due-in, receipt of shipment, processing status, anticipated forwarding date, vessel name, voyage number, itinerary, and estimated date of arrival at port of discharge. With shipments identified to a specific case, the customer country can plan receipt in advance and minimize the necessity of tracking individual shipments.

s. Control of Shipments. The freight forwarder should maintain complete visibility control over each

10341

(Continued)

shipment, from date of receipt from carrier, through processing and staging phases, and until finally shipped to the FMS customer. This will provide information on the location and status of each shipment in the system at all times, and facilitate immediate response to any query concerning status of material in transit.

t. Military Assistance Program Address Directory (MAPAD). This is the sole source directory in use by DOD shipping activities to determine current shipping addresses. The freight forwarder shall immediately advise the country representative when any address for receipt of material or documentation is to be changed, 60 days in advance of proposed change of address when possible. This will enable the country representative to initiate action with the Defense Automatic Addressing System Office (DAASO) to notify shipping activities and have the revised addresses published in the MAPAD. Direct requests from the freight forwarder to shipping activities for address changes are not authorized and will be ignored. It is imperative that all address changes be made known immediately to maintain the MAPAD in current status and preclude the possibility of misdirected shipments.

10350

HOW TO OBTAIN A
FREIGHT FORWARDER
SECURITY CLEARANCE

As discussed in Chapter 6, instances frequently arise in the FMS Program when a customer country will receive classified security material. One of the conditions cited in the Offer and Acceptance DD Form 1513, to which the FMS customer must agree, requires that classified material be provided a degree of physical protection to safeguard against its unauthorized disclosure or loss, equivalent to the protection provided by the U.S. Government. This requirement refers to types of security storage enclosures

(Continued)

or containers, locks, guards, etc., used in varying combinations, to safeguard classified material physically in custody and to prevent loss by theft or unauthorized disclosure (compromise).

The freight forwarder is required to provide an adequate, physically secure facility suitable for handling the safeguarded receipt and temporary storage of classified material being held in-transit awaiting shipment. To obtain the necessary authorization for handling classified material shipments, the freight forwarder must acquire a classified facility clearance. The facility clearance for the freight forwarder is based on a detailed on-site inspection and review of conditions of physical security which are determined to exist at the freight forwarder's facility. The inspection is conducted by field representatives of the Defense Contract Administration Service Region (DCASR). DCASR is the cognizant defense industrial facility security matters in the United States.

The steps and conditions to be met in obtaining the required security clearance for a freight forwarder's facility are based on the physical protection requirements prescribed in the Department of the Navy Information Security Program Regulation, OPNAV Instruction 5510.1. The procedure for obtaining a facility clearance for a freight forwarder includes the following:

a. Letter of Authorization To Act as a Designated Representative of the Customer Country. The freight forwarder must be assigned in writing by letter from a competent authority (for example, the senior logistics commander in the foreign military service) directing the

10350

(Continued)

freight forwarder to serve as the designated representative (agent) of the foreign government, authorized to receive, store and handle shipments of classified material. A copy of this letter must be provided to the DCASR office responsible for certifying the freight forwarder's facility clearance.

b. On-Site Inspection of Freight Forwarder's Facility for Safeguarding Classified Material Shipments In-Transit. The military representative of the customer country (for example, the Defense Attache) in the United States makes a written request (by letter) to the Defense Contract Administration Service regional headquarters for the area in which the freight forwarder's facility is located. DCASR headquarters are located in six major regions within the United States:

New York, NY
Philadelphia, PA
Atlanta, GA
Chicago, IL
Dallas, TX
Los Angeles, CA.

c. Facility Clearance Formally Certified by DCASR. When all conditions required for the physical protection and safeguarding of classified material have been satisfied, as prescribed in OPNAV Instruction 5510.1 and other pertinent directives, a facility clearance for the freight forwarder's facility is formally certified by DCASR on the basis of the results of the on-site inspection. It should be noted that a variety of time-consuming events must occur to achieve a security clearance. The freight forwarder must prepare written procedures as to how and with what equipment, facilities and personnel the classified material will be protected. In addition, equipment may have to be procured, secured areas constructed and guard services acquired.

10350

(Continued)

The written procedures must be approved by DCASR and all actions to protect the material completed prior to issuance of the facility clearance. Should any discrepancies be cited in the report of inspection by the DCASR field office, corrective action must be taken by the freight forwarder before the facility clearance can be granted. Discrepancies which remain outstanding, and for which corrective action is delayed or deferred, will have an adverse affect on obtaining the final facility clearance certified for the freight forwarder.

d. Personnel Security Clearance.
In addition to the facility clearance, prompt action must be taken to identify personnel whose duties will require them to process the receipt, storage or shipment of the classified material. The requirements for clearance apply to management supervisors, warehousemen, guards, or any other persons who will have responsibilities and access to the classified materials. Action to obtain security clearances should be initiated with the appropriate DCASR office as noted above. These actions should begin at an early date, as acquiring security clearances may take several months. The DCASR Headquarters will obtain the assistance of DISC (Defense Industrial Security Clearance Office), Columbus, Ohio, to certify clearances of the required personnel.

10360

HOW TO EVALUATE
A FREIGHT
FORWARDER'S
PERFORMANCE

An important responsibility of the customer country in connection with freight forwarder operations is to evaluate the freight forwarder's performance. A number of related factors will contribute to the overall effectiveness of a freight forwarder's activities. These factors can serve as indicators to the quality of a freight forwarder's performance. A periodic

10360

(Continued)

review and evaluation by the customer of the freight forwarder's performance with respect to these factors will serve to strengthen and improve the quality and effectiveness of the freight forwarder's operations.

Any or all of the following factors are suggested for use by the customer in accomplishing this evaluation:

- a. Transit time data.
- b. Adequacy and timeliness of freight forwarder reporting of receipt and transshipment of cargo.
- c. Expeditious response to country follow-ups and tracer actions.
- d. Material condition upon receipt at each in-transit segment in the transportation pipeline.
- e. Damage/claim actions (by various carriers, CONUS and over-ocean); freight forwarder effectiveness in filing and processing claims and in reporting to the country the amounts of reparation received.
- f. Effectiveness of consolidation and containerization to preclude loss, damage, and pilferage.
- g. Effectiveness in receipt, processing, and transshipment of repairables and repairable return shipments.
- h. Timely response to Notices of Availability to preclude delays in delivery.
- i. Conformance with country special instructions in handling of priority shipments, and other shipments requiring special handling.

10360

(Continued)

j. Comparison of overall costs of high tariff carriers with low damage/claims ratios, as opposed to low tariff carriers with high damage/claim ratios, to assist freight forwarders in carrier selection.

k. Consistency in freight forwarder billing for like services, e.g., per transaction, tonnage, cubage, case value, commodity, time frame, or other financial arrangement negotiated with the freight forwarder.

l. Other factors which a country desires to employ in the measurement, comparison, and evaluation of the performance and services of its designated freight forwarder.

10370

SUMMARY

This chapter has described the important role of freight forwarders in the movement of FMS material. It has:

- . Emphasized that freight forwarders are the contractual agents of the FMS customer countries, and are not elements of the U.S. supply system
- . Described in general terms the material movement process for FMS material
- . Described the concept of transfer of title to FMS material at the source of supply
- . Described shipment related documentation in detail for both U.S. government and private shipments

10370

(Continued)

Described the special procedures for freight forwarder handling of:

- Repairables
- Publications
- Classified material.

REFERENCES FOR CHAPTER 10

Military Assistance Program Address Directory (MAPAD)

Department of Defense Publication DOD 5105.38D

MILSTRIP/MILSTRAP Operating Procedures Manual

Naval Supply Systems Command (NAVSUP) Publication 437
(NSN 0530 LP 170 0083)

U.S. Navy International Logistics Program

Naval Supply Systems Command Instruction (NAVSUPINST)
4900.34.

CHAPTER 11. SUPPLY ASSISTANCE TEAM
AVAILABILITY AND SCOPE

CHAPTER 11. SUPPLY ASSISTANCE TEAM
AVAILABILITY AND SCOPE

T A B L E O F C O N T E N T S

	<u>Page Number</u>
11100 SECTION A--DESCRIPTION	11-1
11110 Purpose of Supply Assistance	11-1
11120 Role of the Fleet Material Support Office (FMSO)	11-1
11130 The International Logistics Support Department (FMSO Code 98)	11-1
11140 Responsibilities of FMSO Code 98	11-1
11141 Supply Management Consulting Services	11-2
11142 Basic Supply System	11-3
11143 Review of Training	11-3
 11200 SECTION B--PROCEDURES	 11-5
11210 How to Acquire the Services of the International Logistics Support Department	11-5
11211 Preparation for Visit	11-5
 11300 SECTION C--AREAS OF SPECIAL INTEREST	 11-7
11310 Objective Disclosure	11-7
11320 Need to Visit Country	11-7
11330 Need for Separate FMS Case for Supply Assistance	11-7

CHAPTER 11. SUPPLY ASSISTANCE TEAM
AVAILABILITY AND SCOPE

11100 SECTION A--DESCRIPTION

11110
PURPOSE OF
SUPPLY ASSISTANCE

The purpose of this chapter is to describe the supply assistance that is available to foreign customers through the International Logistics Management Assistance Program. This program has been established to provide a central organization within the U.S. Navy to render assistance to foreign navies in developing and managing their own supply systems.

11120
ROLE OF THE FLEET
MATERIAL SUPPORT
OFFICE (FMSO)

The organization responsible for the supply assistance program is the U.S. Navy Fleet Material Support Office (FMSO) at Mechanicsburg, Pennsylvania. FMSO operates under the command and management direction of the Commander, Naval Supply Systems Command (NAVSUP). The role of FMSO in international logistics is in addition to its other responsibilities in providing system design, programming, and technical and administrative support to the U.S. Navy Supply System.

11130
THE INTERNATIONAL
LOGISTICS SUPPORT
DEPARTMENT (FMSO
CODE 98)

The group within the FMSO organization that accomplishes the supply assistance for foreign customers is the International Logistics Support Department (FMSO Code 98). This department consists of a number of personnel who are knowledgeable and experienced in all phases of afloat and ashore supply management.

11140
RESPONSIBILITIES
OF FMSO CODE 98

Three major foreign customer assistance responsibilities are assigned to the International Logistics Support Department:

- . To provide supply management consulting services to foreign customers
- . To make available a complete basic supply system that can be implemented by foreign customers

11140

(Continued)

- . To review and recommend changes to the training conducted in the United States for foreign supply personnel.

Each of these responsibilities and services will be explained in the following paragraphs. The methods of acquiring the services are described in paragraph 11310.

11141

SUPPLY MANAGEMENT CONSULTING SERVICES

Supply management consulting services are provided to help the foreign customer country solve problems within its own system of supply. The services normally begin with a visit by the U.S. team to the customer country to examine the supply system as it currently exists. This visit is accomplished by a team from FMSO Code 98. The team may consist of from one to four officers and civilian professionals, and the length of the visit will vary depending upon the needs and desires of the country. The size of the team and the length of the visit are initially determined by the customer country based on its own assessment of the problem.

During the initial visit, the U.S. team examines the methods currently being used by the country to supply material to its naval units. The team assesses the status of the existing system, and determines if and where improvement might be made. A detailed written report is prepared which documents the findings of the visit. The report also contains specific recommendations for improvements to the supply system.

Additional visits to reexamine the system or to assist the foreign navy in implementing the recommendations can be made. These additional

11141

(Continued)

consulting visits are accomplished, based upon the desires of the foreign customer, but must be scheduled and funded as described in paragraph 11210.

11142

BASIC SUPPLY
SYSTEM

As a result of the consulting visits, the country may desire to alter or replace its existing supply system. The International Logistics Support Department has developed a complete basic supply system which may be implemented totally or partially by a foreign customer. This basic system includes procedural documentation and instructions to allow full operation by the foreign navy.

The customer country may have unique situations within its own military structure that prevent use of the basic system exactly as it was designed. For this reason, the system has been constructed so that it can be tailored to fit the needs of individual customer countries.

The basic system also has been designed in modular fashion so that the entire system need not be adopted. Specific functional sections of the system can be independently placed into use. For example, a particular foreign navy supply system may need improvement only in the area of shipping and receiving material. In this case, the applicable shipping and receiving sections of the basic system could be implemented without changing the rest of the customer system.

11143

REVIEW OF
TRAINING

The final area in which the International Logistics Support Department provides services related to foreign customers is to review training programs that are conducted in the United States for foreign navy supply personnel. The courses are reviewed

11143

(Continued)

in light of the problems which are encountered during the consulting and assistance visits. Recommendations are made to change the courses when necessary. In this manner, the courses can be structured to place proper emphasis on areas that are known to be problems in many supply systems. These courses are described in Chapter 12.

11200

SECTION B--PROCEDURES

11210

HOW TO ACQUIRE
THE SERVICES OF
THE INTERNATIONAL
LOGISTICS SUPPORT
DEPARTMENT

A foreign navy interested in utilizing the services of the International Logistics Support Department (FMSO Code 98) should request assistance through the local U.S. MAAG, Military Mission, Defense Attache, or U.S. Embassy. This request should include an estimate of the amount of assistance needed. The MAAG or other U.S. in-country activity will notify the U.S. Chief of Naval Operations (Code OP-63) of the foreign country's requirement. OP-63 will obtain a Price and Availability Statement from FMSO Code 98. The statement provides cost information for an initial visit to the country and provides a possible date for the visit. A Foreign Military Sales (FMS) case must be established to fund the salaries and travel of the assistance team. Any other costs to the United States incurred in implementing recommendations or a basic supply system must also be funded in an FMS case. The FMS case should specify in detail what services the foreign country desires.

11211

PREPARATION
FOR VISIT

The foreign customer should make ample advance preparation for the U.S. assistance team visit. Proper preparation will allow for maximum use of the team's time in country and will probably result in less expensive services for the customer.

Preparation should include but not be limited to:

- . Arrangement for language interpretations if necessary
- . Preparation of an overview briefing of the foreign country's logistic network

11211

(Continued)

- . Preparation of detailed briefings on specific problem areas
- . Scheduling of visits and interviews with key supply personnel at various activities.

11300

SECTION C--AREAS OF SPECIAL INTEREST

This section provides several points of specific interest to the customer and reiterates some key points that have been previously noted.

11310

OBJECTIVE
DISCLOSURE

The results of the team visits are documented in objective reports that detail problem areas in the customer country's supply system. The customer should realize that the reports and recommendations will be objective and will explicitly list weaknesses in the system. Although strengths in the existing system will probably be noted, the purpose of the assistance visit is to correct those areas that need improvement.

11320

NEED TO
VISIT COUNTRY

The need for the assistance team to visit the customer country is re-emphasized. The team can fully assess the existing system only by observing it in operation. Customer countries should remember this fact when requesting assistance. Because of its importance, the visit should be scheduled when it will be least disruptive to the country's ongoing operations, but at a time when it will reveal all aspects of the system at work.

11330

NEED FOR
SEPARATE FMS
CASE FOR SUPPLY
ASSISTANCE

The services of the International Logistics Support Department (FMSO Code 98) must be provided under a separate FMS agreement. Customers of the FMS program should realize that the assistance is not a part of their regular FMS agreement to purchase materials or equipment from the U.S. Government. The services of the team should be requested using the procedures noted in paragraph 11210.

CHAPTER 12. OTHER AREAS FOR SPECIAL ATTENTION

CHAPTER 12. OTHER AREAS FOR SPECIAL ATTENTION

T A B L E O F C O N T E N T S

	<u>Page Number</u>
12100 FMS IMPLEMENTATION REVIEWS	12-1
12110 The Review Objective	12-1
12120 Review Scheduling	12-1
12130 FMS Implementation Review Conferences	12-2
12140 Customer Responsibilities	12-3
12150 Reports	12-5
 12200 NAVILCO FIELD ASSISTANCE OFFICE	 12-7
 12300 TRAINING CONDUCTED IN THE UNITED STATES FOR FOREIGN SUPPLY PERSONNEL	 12-9
12310 Navy Supply Management Course for Senior Foreign Officers	12-9
12320 Junior Foreign Officers Supply Course	12-9
12330 Basic Supply Course	12-10
12340 Field Support Depot Management Course	12-10
12350 Training Availability Details	12-10

CHAPTER 12. OTHER AREAS FOR SPECIAL ATTENTION

12100

FMS IMPLEMENTATION REVIEWS

12110

THE REVIEW OBJECTIVE

The U.S. Navy conducts Foreign Military Sales Implementation Reviews periodically for customer countries when the volume of a foreign country's FMS activity warrants. At these reviews representatives of foreign countries are invited to meet with USN representatives at specified locations in the continental United States to:

- . Exchange information on problem areas associated with implementation of FMS cases
- . Attempt a reconciliation of requisition and shipment records maintained by the foreign customer's purchasing organization with those maintained by the U.S. Navy
- . Evaluate the status of the foreign customer country's entire FMS program against common baselines.

12120

REVIEW SCHEDULING

In about June of each year, the Chief of Naval Material, acting for the Chief of Naval Operations, requests the Commander, Naval Supply Systems Command to propose a schedule for the next fiscal year's FMS Implementation Reviews. NAVSUP, in conjunction with NAVILCO, prepares a tentative schedule of the recommended countries and proposed conference dates for CNM. The schedule is based on the size of the FMS program under consideration, the length of time since the last review, and the expected time until the next projected review. Due to the diversity of FMS cases, it is not feasible to establish a specific sequence and schedule for all customer countries and all cases. In addition,

12120

(Continued)

the size of some customer countries' FMS business will not warrant the need to schedule an implementation review. The normal sequence of FMS Implementation Review conferences for the larger programs is to meet every two years.

After CNM receives and reviews the tentative schedule from NAVSUP, it is forwarded to CNO for approval. Approximately four months prior to the scheduled conference the CNO will forward a letter to the customer country advising it when the FMS Implementation Review Conferences are scheduled and invite the customer country to send representatives.

12130

FMS IMPLEMENTATION REVIEW
CONFERENCES

There are two meetings which comprise the FMS Implementation Review Conference. The first is an initial meeting held at NAVILCO in Philadelphia, Pennsylvania, which has the following objectives:

- . To reconcile U.S. records with those of the customer country
- . To improve U.S. Navy performance in the delivery of material.

The basic elements of this phase of the review are:

- . Determination of all "open" requisitions according to NAVILCO records
- . Determination of all "open" requisitions according to the customer country
- . A meeting between NAVILCO and the customer country representatives to compare and reconcile records

12130

(Continued)

- . Correction and update of records based on the file comparison.

The second meeting, approximately two weeks after the first meeting at NAVILCO, is held at Naval Material Command Headquarters in Washington, D.C. Matters of a broader scope, such as major logistics and systems problems, are discussed at this meeting. It is the purpose of this meeting to:

- . Review the results of the NAVILCO-customer country meeting
- . Review the general status of the FMS program for each customer
- . Identify areas for possible improvement
- . Discuss any specific problem areas.

Based upon agenda items and topics to be discussed during this phase of the review, representatives of NAVAIR, NAVLEX, NAVSEA, and appropriate field activities may attend in addition to representatives of OPNAV, NAVMAT, NAVSUP, NAVILCO and the customer country.

The two meetings of the FMS Implementation Review Conference provide a forum for the customer country to evaluate the details and the policies of FMS participation, and to present recommendations for FMS case implementation.

12140

CUSTOMER
RESPONSIBILITIES

After the letter of invitation, discussed in paragraph 12120, issued by the CNO, NAVILCO prepares and forwards to the customer country an open item

12140

(Continued)

listing. This listing identifies all requisitions for which U.S. Navy records indicate that materials remain undelivered. The customer country is responsible for identifying differences between customer records and the NAVILCO listing. It is this information which constitutes the customer country's input for the NAVILCO meeting.

The customer country should follow the guidance below for reviewing/updating the open item listing.

For all requisitions where data differ between customer and U.S. records:

- Indicate items previously cancelled
- Indicate items shipped, date shipped, mode of shipment, supplying activity, and contract number if available.

Evaluate whether or not items on requisitions over 120 days old are still required.

- Advise NAVILCO which of these items may be cancelled outright.
- Advise NAVILCO which of these items may be cancelled and resubmitted under a current FMS case.

Customer country preparation for the Washington conference should include identification of agenda items and topics for discussion. Any problems identified should cite specific examples wherever possible. This input should be made to the Chief of Naval Material (MAT-08FG) at least one month in advance of the scheduled meeting date to permit proper staffing.

12150

REPORTS

The heart of the NAVILCO meeting is the reconciliation of the FMS case records with those of the customer country. The reconciliation process determines which items have been received by the customer, which have been cancelled, and which are still required. Once this reconciliation is complete, a Summary of Accomplishments report is prepared by NAVILCO for distribution to NAVSUP, NAVMAT, and participants in the FMS Review. This summary report provides the following information:

- . Country program concerned
- . Number and dollar value of the related FMS cases
- . Date of reconciliation
- . Number and dollar value of line items received
- . Number and dollar value of line items not reconciled
- . Number and dollar value of FMS cases which became candidates for closure
- . Estimated number of NAVILCO man-hours required to conduct the reconciliation
- . Recommendations.

In addition to the above NAVILCO report, NAVMAT will forward a letter to the customer country upon completion of the Washington meeting. This letter summarizes matters which were discussed at the Headquarters, Naval Material Command. The summary will include background, discussion, and action taken or to be taken for each agenda item and topic discussed.

NAVILCO FIELD ASSISTANCE OFFICE

The NAVILCO Field Assistance Office is established to provide liaison between NAVILCO and its customers. The Field Assistance Office's mission is to conduct field assistance and indoctrination visits to U.S. Government agencies, and to FMS customer countries, in conjunction with U.S. Navy-sponsored Security Assistance Programs. Specific responsibilities assigned to the Field Assistance Office (NAVILCO Code 04) are to:

- . Act as the focal point for customer inquiries
- . Resolve customer's problems with the assistance of the cognizant NAVILCO organizational codes
- . Indoctrinate U.S. and foreign personnel on NAVILCO's organization and mission
- . Provide training of U.S. and foreign personnel in the FMS functional areas of supply, procurement, financial accounting, billing, and management information systems.

These responsibilities are carried out based upon NAVILCO's knowledge that assistance is required by a customer, as well as a customer's request. Once it is determined advisable to visit a customer, NAVILCO initiates a letter of intent to the country. The letter requests permission to conduct a field assistance visit and propose dates for the visit. Also, it details agenda topics to be covered during the visit and solicits any problems, procedures, or policies the country would like to have discussed.

12200

(Continued)

The training provided by the Field Assistance Office covers the relationship of the foreign customer with the U.S. supply system through the Security Assistance Program. This contrasts with the training provided by FMSO's International Logistics Support Department which assists the customer country in developing and managing its own supply system.

12300

TRAINING CONDUCTED IN UNITED STATES FOR
FOREIGN SUPPLY PERSONNEL

The Naval Supply Systems Command offers several courses which are held in the United States to train foreign supply personnel. These courses are designed to provide supply personnel of foreign countries with an understanding of the principles, procedures, and the techniques used for supply management in the U.S. Navy. Specific courses available are discussed in paragraphs 12310 through 12340.

12310

NAVAL SUPPLY
MANAGEMENT
COURSE FOR
SENIOR
FOREIGN
OFFICERS

The Naval Supply Management Course for Senior Foreign Officers is conducted annually, usually in September and October, by NAVSUP in Washington, D.C. This 8-week course is designed to provide foreign officers (in the grade of Commander, or equivalent, and higher rank) with an understanding of principles and techniques in the major areas of supply management. The course usually includes field visits to Ships Parts Control Center (SPCC), the Fleet Material Support Office (FMSO), the Navy International Logistics Control Office (NAVILCO), the Naval Supply Center, Norfolk, Virginia, and to a Canadian supply activity.

12320

JUNIOR
FOREIGN
OFFICER
SUPPLY COURSE

The Junior Foreign Officer Supply Course is conducted twice annually at the U.S. Navy Supply Corps School, Athens, Georgia. This 7-week course is intended to provide middle-level supply supervisors with a working-level knowledge of supply management, and familiarity with the U.S. Navy Supply System.

Upon completion of the classroom portion of the course, field visits are arranged to Washington, D.C., the Navy International Logistics Control Office, and 1 to 2 weeks on-the-job functional training at one of two Naval Supply

12320

(Continued)

Centers (Norfolk, Virginia, or Oakland, California). In addition, depending on the future assignment of a particular officer, orientation tours aboard a U.S. Navy ship can be arranged.

12330

BASIC SUPPLY
COURSE

A 6-month basic supply course is taught at the U.S. Navy Supply Corps School, Athens, Georgia, for all newly commissioned Supply Corps Officers of the U.S. Navy. If desired, a foreign country may make arrangements for foreign officers to attend a modified version of this course. The modified course includes all the normal supply functional areas, except disbursing and retail operations. Since foreign officers are assigned to regular classes with other U.S. officers in attendance, it is necessary that all foreign officers assigned to this course be proficient in reading and writing the English language.

12340

FIELD SUPPORT
DEPOT MANAGEMENT
COURSE

A Field Support Depot Management Course is conducted periodically to provide specific training for supply personnel of those countries that choose to implement all or a portion of the basic supply system described in paragraph 11142. This 8-week course is conducted at the U.S. Naval Supply Corps School, Athens, Georgia.

12350

TRAINING
AVAILABILITY
DETAILS

For further details, specific costs, and other information about these training programs, foreign navy customers should contact the Navy Section of a U.S. Military Assistance Advisory Group, U.S. Military Mission, U.S. Defense Attache, or U.S. Embassy in their respective country.

Once the U.S. Navy component receives a request for training of foreign personnel, it is forwarded to the Chief of Naval Operations (OP-63) in the United States for approval and scheduling.

APPENDIX A - BIBLIOGRAPHY

APPENDIX A(1)

APPENDIX A

BIBLIOGRAPHY

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Defense Supply Agency (Defense Logistic Services Center, Battle Creek, Michigan)
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Chief of Naval Operations Instruction (OPNAVINST) 5510.1
4. Introduction to Federal Supply Catalogs and Related Publications
Naval Supply Systems Command (NAVSUP) Publication 4000
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5. Management List - Navy (ML-N)
Naval Supply Systems Command (NAVSUP) Publication 4100 (NSN 0588 LP 411 1000)
6. Master Repairable Item List (MRIL)
Naval Supply Systems Command (NAVSUP) Publication 4107 (NSN 0588 LP 410 2600)
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Department of Defense (DOD) Publication 5105.38M
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Department of Defense (DOD) Publication 5105.38D
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10. Navy Stock List of Publications and Forms
Naval Supply Systems Command (NAVSUP) Publication 2002 (NSN 0535 LP 004 0100)

APPENDIX A(2)

11. Processing Repairables
Chief of Navy Material Instruction (NAVMATINST)
4900.13B
12. Reporting and Processing of Discrepancy Reports
Against Foreign Military Sales Shipments
Defense Supply Agency (DSA) Regulation 4140.60
Naval Supply Systems Command Instruction (NAVSUPINST)
4920.9
13. Uniform Military Movement and Issue Priority System
(UMMIPS)
Department of Defense Instruction (DODINST) 4410.6
Chief of Naval Operations Instruction (OPNAVINST)
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14. U.S. Navy International Logistics Program
Naval Supply Systems Command Instruction (NAVSUPINST)
4900.34

APPENDIX B - GLOSSARY OF TERMS AND ABBREVIATIONS

APPENDIX B

GLOSSARY OF TERMS AND ABBREVIATIONS

FOREWORD

This Glossary of Terms and Abbreviations is a summary of selected terms and abbreviations frequently used in the Foreign Military Sales Program. The definitions included here are designed to assist the foreign customer in reaching a common understanding of terms applicable to Foreign Military Sales activities.

Most of the terms and abbreviations selected for inclusion are associated in some way with FMS support. The definitions and abbreviations are identified here primarily to assist the foreign supply officer in his orientation and appreciation of the U.S. supply system, its procedures, and techniques.

The Glossary is in two parts:

1. Summary of Selected Terms
2. Frequently Used Abbreviations.

APPENDIX B(2)

PART 1

GLOSSARY OF SELECTED FMS TERMS

LETTER OF OFFER/ ACCEPTANCE (DD Form 1513)	A formal government contract stating terms and conditions for the sale of material and services. The DD Form 1513 lists the items and/or services, estimated costs, the terms and conditions of sale, and provides for the foreign government's signature to indicate acceptance.
ACCEPTANCE DATE	The date which appears on the acceptance portion of DD Form 1513 and indicates the calendar date on which a foreign buyer agrees to accept the items and conditions contained in the FMS offer portion.
ACCEPTED CASE	An FMS offer and acceptance for definitized requirements signed by the designated representative of the customer country.
ACCESSORIAL CHARGES	A separate charge for packing, crating, port handling and loading, and transportation (PCH&T) associated with preparation and delivery of material.
ACQUISITION VALUE	The actual or estimated value of an item or service in terms of its original cost to the U.S., exclusive of any costs incurred subsequent to acquisition and without regard to the time at which actual acquisition occurred or the method by which it was financed.
ADMINISTRATIVE CHARGES	Charges levied for use of the DOD Supply System.
CASE, FMS	Identifies a DD Form 1513 foreign military sale. A contractual sales agreement between the U.S. and an eligible foreign country documented

APPENDIX B(3)

by DD Form 1513. One FMS case designator is assigned for the purpose of identification, accounting, and data processing for each accepted offer (DD Form 1513).

CASE DESCRIPTION

A short generic description specifically prepared to describe the content of each FMS case.

CASE DESIGNATOR

A three-digit alphabetic code used with a country identification code to identify a particular foreign military sale.

CLOSED CASE

An FMS case on which all material has been delivered and/or all services have been performed; all financial transactions, including all collections, have been completed; and the customer has received a final statement of account.

COMMERCIAL- TYPE ITEMS

Any items, including those expended or consumed in use, which, in addition to military use, are used and traded in normal civilian enterprise and which are, or can be, imported/exported through normal international trade channels.

COMPLETED CASE

Delivery of all material/services as stated on the DD Form 1513 and for which all collections have been completed, but for which the final accounting statement has not been furnished the purchaser.

CONCURRENT SPARE PARTS

Spare parts programmed as an initial stockage related to a major item and normally delivered concurrently with the major item.

CONSTRUCTIVE DELIVERY

Delivery of material to a carrier for transportation to the consignee, or delivery to a U.S. post office for shipment to the consignee. Delivery is evidenced by completed shipping

APPENDIX B(4)

documents or listings of delivery at the U.S. post office. The delivery of material to the customer or the customer's designated freight forwarder at point of supply, production, or testing constitutes actual delivery.

CONSUMABLE SUPPLIES

Supplies which are consumed in use, such as paint, fuel, cleaning and preserving materials, drugs and medicines, or items which lose their identity, such as spare parts.

CONSUMPTION

The actual or estimated quantity of an item consumed or expended during a given time interval, expressed in quantities by the most appropriate unit of measure.

COOPERATIVE LOGISTICS SUPPLY SUPPORT ARRANGEMENTS (CLSSA)

An agreement between a U.S. military service and a friendly foreign military service setting forth the terms and conditions for providing support in peacetime through the U.S. Logistics System. This agreement replaces Cooperative Logistics Support Arrangements (CLSA) and Supply Support Agreements (SSA).

COUNTRY IMPLEMENTATION REVIEW

NAVILCO coordination and reconciliation of FMS requisition status, delivery, and financial records with the supply system and customer country representatives.

COUNTRY REPRESENTATIVE

Designated country official such as Consul, Attache or Resident Customer Representative, responsible for control of FMS case transactions.

DEFENSE ARTICLES

Includes any weapon, weapons system, munition, aircraft, vessel, boat, or other implement of war; any property, installation, commodity, material, equipment, supply, or goods used for the purposes of furnishing military assistance; any machinery,

APPENDIX B(5)

facility, tool material, supply, or other items necessary for the manufacture, production, processing, repair, servicing, storage, construction, transportation, operation, or use of any other defense article or any component or part of any articles listed above.

DEFENSE
SERVICE

Includes any service, test, inspection, repair training, publication, or technical or other assistance, or defense information used for the purpose of furnishing military assistance. "Training" includes formal or informal instruction of foreign students in the United States or overseas by officers or employees of the United States, contract technicians, contractors (including instruction at civilian institutions), or by correspondence courses; technical, education, or information publications and media of all kinds; and training aid orientation, training exercise, and military advice to foreign military units and forces.

DELIVERED
(COMPLETED)
CASE

An FMS case on which all material has been delivered and all services have been performed. The case is not closed until final billing action is taken and funds are received.

DEPENDABLE
UNDERTAKING

An agreement on the part of a foreign country to pay the U.S. on demand for goods and services provided.

DESIGNATED
COUNTRY
REPRESENTATIVE

A person or persons duly authorized by a foreign government to act on behalf of that government to negotiate, commit, sign contractual agreements, and/or accept delivery of material.

APPENDIX B(6)

DIRECT REQUISITIONING

An open-end requisitioning case covering undefinitized spare parts for a specific weapons system. The FMS case is of specific duration, normally 12 months.

END ITEM

Assembled whole system or equipment, ready for its intended use, (1) for which only ammunition, fuel or other energy sources are required to place them in an operating state, and (2) consisting of components and parts with or without accessories or attachments, e.g., rifles, tanks, aircraft, ships.

EQUIPMENT

All items of a durable nature which are capable of continuing or repetitive utilitarian use by an individual or organization.

All articles other than supplies needed to outfit an individual or organization.

Such equipment may be classified as:

- . Individual equipment -- items required for the personal use of individuals.
- . Organizational equipment -- items required for the use of an organization or unit.
- . Special or project equipment -- items not authorized in standard equipment allowance publications, but determined as essential in connection with a particular contemplated operation, function, or mission.

APPENDIX B(7)

EXPIRED LETTER
OF OFFER/
ACCEPTANCE

An FMS case which was not accepted or funded within prescribed time limitations or was canceled by the requesting country or the U.S. Government.

FOREIGN
MILITARY
SALES

For cash sales from stocks of the DOD; procurement for cash sales by the DOD; credit sales, and DOD guaranties covering the private financing of credit sales of defense articles and defense services.

FOREIGN
MILITARY
SALES ORDER
(FMSO) - I

A letter of Offer and Acceptance (DD Form 1513) covering the estimated dollar values of the quantities of items to be stocked (on hand) and continuously procured (on order) for support of the country's U.S.-furnished equipment.

FOREIGN
MILITARY
SALES ORDER
(FMSO) - II

A consumption FMSO which encompasses a letter of Offer and Acceptance (DD Form 1513) covering the participating country's estimated withdrawals of material from the supply system for an agreed period of time.

FREIGHT
FORWARDER

Any representative designated by a customer country to accomplish/control shipments of FMS material.

IMPLEMENTATION
DATE

The date when supply action on an FMS case is initiated or directed by the implementing agency.

OFFER DATE

The date which appears on the offer portion of DD Form 1513 and which indicates the date on which an FMS offer is made to a foreign buyer.

INVENTORY
CONTROL POINT

An organizational unit or activity within a Department of Defense supply system which is assigned the primary responsibility for the material

APPENDIX B(8)

management of a group of items either for a particular service or for the Defense Department.

MAXIMUM RELEASE QUANTITY (MRQ)

The largest quantity of an item of supply that will be issued automatically by a computer in response to a requisition.

MILITARY STANDARD REQUISITIONING AND ISSUE PROCEDURES (MILSTRIP)

A uniform procedure established by the Department of Defense for use within the Department of Defense to govern requisitioning and issue of material within standardized priorities.

NON-RECURRING DEMAND

Demands placed on the supply system to establish or augment but not to replenish stock levels in the customer's country.

ON-HAND STOCK LEVEL

The quantity of an item of supply required to be physically available in the supply system to meet anticipated demands.

ON-ORDER STOCK LEVEL

The quantity of an item of supply required to be continuously on contract to replenish the on-hand stock level.

OPEN SALES CASE

An FMS case is designated open as long as any portion of the transaction is incomplete, i.e., delivery of material, performance of services, financial transactions, or rendering of the final statement of accounts.

OPTIONS, TYPES

Methods by which countries participating in the FMS program indicate, by coded entry on DD Form 1513, whether material shipments should be released automatically by the stock points or require prior notice to country representatives or freight forwarders. The type of option will be determined as a result of negotiations between the country representatives and CNO at the time of case negotiation.

APPENDIX B(9)

- . Type A -- Depicts automatic shipment without notice.
- . Type Y -- Advice to FMS country representatives/freight forwarders that FMS material will be shipped on the 15th day subsequent to the date of the Notice of Availability, unless alternate shipping instructions are received.
- . Type Z -- Advice to FMS country representatives/freight forwarders that FMS material is ready for shipment and specific shipping instructions are required.

ORIENTATION TOURS

Tours arranged for key foreign personnel for the purpose of orientation and indoctrination.

PRICE AND AVAILABILITY

Requested by a customer country when that country requires material and services not listed on the Management List - Navy (ML-N), in which case he comes to NAVILCO for spares, etc., or Chief of Naval Operations for major items, etc., requesting the price, availability (from stock or outside purchase), and assignment of case number.

PRICE INCREASE AUTHORITY

Standard items are supplied at the latest price where available from stock. If procurement is necessary for standard or non-standard material, customer approval is to be secured before purchase is made at higher costs which exceed automatic FMS case price increase authorization.

PROCUREMENT LEAD TIME

The interval between the initiation of a procurement request and receipt of an item into the supply system.

PURCHASE ORDER

Document authorizing a vendor to deliver material/equipment or perform services. Upon acceptance by vendor, this constitutes a purchase contract.

APPENDIX B(10)

RECURRING DEMAND

Demands placed on the supply system to replenish and maintain previously established stock levels.

RENEGOTIATION

Adjustment of the dollar level of FMSO-I investment in U.S. stocks in direct proportion to changes in the dollar value of the recurring demand level, changes in program data and configuration changes.

REORDER POINT

That level (quantity of material) at which the DOD inventory manager takes procurement action to replenish his stock.

REPAIRABLES

Equipments or components which, upon failure, are repaired and returned to stock for reissue.

SAFETY LEVEL

That level (quantity of material) required to be on hand to permit continuous operations in the event of minor interruption of normal replenishment or unpredictable fluctuations in demand.

STORAGE CHARGES

Charges for warehousing, care and preservation of material on hand in the U.S. inventories for a participating country.

SUPPLY OPERATION COSTS

Refers to related costs of procurement and issue of material and articles delivered to FMS recipients but not included in the standard prices of the material. These costs include packing, crating, handling and transportation expenses incurred in the issue and transfer of material; and logistics management expenses incurred by activities in the areas of procurement operations, supply management, requisition control and processing, and related services.

APPENDIX B(11)

SUPPLY SUPPORT
AGREEMENTS (SSA)

See Cooperative Logistics Supply Support Arrangements (SSA - Obsolete terminology).

TRAINING

Formal or informal instruction of foreign students in the United States by contract technicians, contractors (including instruction at civilian institutions), or by correspondence courses; technical, educational, or information publications and media of all kinds; and training aids, orientation, training exercises, and military advice to foreign military units and forces.

UNIFORM MATERIAL
MOVEMENT AND
ISSUE PRIORITY
SYSTEM (UMMIPS)

A standard system used in the U.S. Department of Defense to assign priorities for the issuance and movement of material.

PART IIGLOSSARY OF ABBREVIATIONS

ADP	Automatic Data Processing
ADSHIPDA	Advise Shipping Data
APL	Allowance Parts List
ASO	Aviation Supply Office
AUTODIN	Automatic Digital Network
AVCAL	Aviation Consolidated Allowance List
B/L	Bill of Lading
CAO	Case Administering Office
CBL	Commercial Bill of Lading
CLSSA	Cooperative Logistics Supply Support Administration
CNM	Chief of Naval Material
CNO	Chief of Naval Operations
COG	Navy Material Cognizance Symbol
COMNAVSUP	Commander, Naval Supply Systems Command
CONUS	Continental United States
COOPLOG	Cooperative Logistics
COSAL	Consolidated Shipboard Allowance List
C-MCRL	Consolidated Master Cross-Reference List
DAAS	Defense Automatic Addressing System
DLA	Defense Logistics Agency
DLSC	Defense Logistic Services Center
DOD	Department of Defense
DOP	Designated Overhaul Point
DRP	Direct Requisitioning Procedure
DSAA	Defense Security Assistance Agency
DSC	Defense Supply Center
DTG	Date Time Group
EAM	Electric Accounting Machine
FAD	Force/Activity Designator
FMS	Foreign Military Sales
FMSO	U.S. Navy Fleet Material Support Office
FMSO-I	Foreign Military Sales Order (Stock Level Case)
FMSO-II	Foreign Military Sales Order (Requisition/ Consumption Case)
FSN	Federal Stock Number (see NSN)
FY	Fiscal Year
GBL	Government Bill of Lading
GFE	Government Furnished Equipment

APPENDIX B(14)

GFM	Government Furnished Material
GSA	General Services Administration
GSE	Ground Support Equipment
ICP	Inventory Control Point
IOL	Initial Outfitting List
ISSA	Interservice Supply Support Agreement
JCS	Joint Chiefs of Staff
LOA	Letter of Offer and Acceptance
MAC	Military Airlift Command
MAPAD	Military Assistance Program Address Directory
MILSTRAP	Military Standard Transportation Reporting and Accounting Procedures
MILSTRIP	Military Standard Requisitioning and Issue Procedures
ML-N	Management List - Navy
MRIL	Master Repairable Item List
MSC	Military Sealift Command
MTC	Military Traffic Command
NARF	Naval Air Rework Facility
NAS	Naval Air Station
NAVAIR	Naval Air Systems Command
NAVCOMPT	Comptroller of the Navy
NAVELEX	Naval Electronic Systems Command
NAVFAC	Naval Facilities Engineering Command
NAVILCO	U.S. Navy International Logistics Control Office
NAVMAT	Naval Material Command
NAVSEA	Naval Sea Systems Command
NAVSUP	Naval Supply Systems Command
NMC	Naval Material Command
NPFC	Naval Publications and Forms Center
NRFI	Not Ready For Issue
NSC	Naval Supply Center
NSD	Naval Supply Depot
NSN	Naval Stock Number
NSY	Naval Shipyard
NTEC	Naval Training Equipment Center
OPNAV	Office of the Chief of Naval Operations
OVHL	Overhaul
PLT	Procurement Lead Time
P/N	Part Number
QTY	Quantity
RFI	Ready For Issue
SAAC	Security Assistance Accounting Center

APPENDIX B(15)

SNSL	Stock Number Sequence List
SPCC	Ships Parts Control Center
SSA	Supply Support Arrangements
SUPO	Supply Office
SYS	System
U/I	Unit of Issue
U/P	Unit Price
UMMIPS	Uniform Material Movement and Issue Priority System
USG	United States Government
USA	United States Army
USAF	United States Air Force
USMC	United States Marine Corps
USN	United States Navy

APPENDIX C - KEY USN POINTS OF CONTACT
FOR FMS CUSTOMERS

APPENDIX CKEY USN POINTS OF CONTACT FOR FMS CUSTOMERS

<u>U.S. NAVY ACTIVITY</u>	<u>DESIGNATED POINT OF CONTACT</u>
Chief of Naval Operations	Director, Security Assistance Division Office of the Chief of Naval Operations (Code: OP-63) Washington, D.C. 20350
Chief of Naval Material	Assistant Deputy Chief of Naval Material (Security Assistance) (Code: MAT 08F) Headquarters Naval Material Command Washington, D.C. 20360
Naval Air Systems Command	Director, Security Assistance Division (Code: AIR 01A4) Headquarters Naval Air Systems Command Washington, D.C. 20360
Naval Electronic Systems Command	Director, International Logistics Program Office (Code: ELEX-09FL) Headquarters Naval Electronic Systems Command Washington, D.C. 20360
Naval Publications and Forms Center	Commanding Officer Naval Publications and Forms Center (Customer Service) Philadelphia, PA 19111

APPENDIX C(2)

<u>U.S. NAVY ACTIVITY</u>	<u>DESIGNATED POINT OF CONTACT</u>
Naval Sea Systems Command	Director, Security Assistance Division (Code: SEA-04G) Headquarters Naval Sea Systems Command Washington, D.C. 20360
Naval Supply Systems Command	Director, International Logistics Division (Code: SUP-033) Headquarters Naval Supply Systems Command Washington, D.C. 20376
Navy Aviation Supply Office	Commanding Officer Aviation Supply Office (Code: SCF-A) 710 Robbins Avenue Philadelphia, PA 19120
Navy Fleet Material Support Office	Commanding Officer Fleet Material Support Office (Code: 98) Mechanicsburg, PA 17055
Navy Ships Parts Control Center	Commanding Officer Ships Parts Control Center (Code: 510) Mechanicsburg, PA 17055
U.S. Navy International Logistics Control Office	Commanding Officer U.S. Navy International Logistics Control Office (Code: 04) Philadelphia, PA 19111

APPENDIX C(3)

OTHER

Defense Automatic Addressing
System Office

Security Assistance
Accounting Center

DESIGNATED
POINT OF CONTACT

Gentile Air Force Base
Dayton, OH 45444

Director
Security Assistance
Accounting Center
Lowery Air Force Base
Denver, CO 80279

APPENDIX D - PROCEDURE FOR RECOMMENDING
CHANGES TO FMS CUSTOMER GUIDE

APPENDIX D (1)

APPENDIX D

PROCEDURE FOR RECOMMENDING CHANGES
TO THE FMS CUSTOMER GUIDE

Recommendations to the Commander, Naval Supply Systems Command for changes, corrections and revisions to the FMS Customer Guide are invited.

To assist the reader in preparation and submission of recommendations for improvement in the format and content of the Guide, a sample letter for recommending such changes to the Commander NAVSUP (033) is provided for suggested use by all holders of the FMS Customer Guide:

Date _____

From: (Insert name and address of FMS Customer Representative originating Letter Recommending Change)

To: Commander, Naval Supply System Command
(Attention: Director, International Logistics
Division, SUP 033)
Department of the Navy
Washington, D.C. 20376

Subj: Recommended change to NAVSUP Publication 526,
FMS Customer Guide

1. The following change is recommended for inclusion in the next revision and update of NAVSUP Publication 526, FMS Customer Guide:

A. PROPOSED CHANGE

<u>Chapter</u>	<u>Paragraph</u>	<u>Page</u>	<u>Description of Change</u>
(or Figure)			

(Entries in each column will identify the specific portion of the Guide, for example, the page, paragraph, or graphic illustration, requiring correction or revision)

B. ADDITIONAL REMARKS

(If required, to explain reason for proposed change described in Section A. above)

Signature

UNIVERSITY OF ILLINOIS-URBANA



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